Sustainable Development Report

2006

sanofi aventis

Because health matters

Contents

This report was designed according to version 3 of the Global Reporting Initiative Guidelines. The index below lists the indicators that were used. The application of the materiality principle is presented on page 4.

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Outlook

Sustainable development, a long standing commitment

Jean-François Dehecq, Chairman

Gérard Le Fur, Chief Executive Officer

Because patients are not consumers in the usual sense of the term, and medicines are not conventional products, being a global leader in the pharmaceutical industry means embracing the ambitions of sustainable development. This concept's triple focus (economic, social and environmental) is perfectly aligned with our mission that, for over thirty years, sanofi-aventis employees have been fulfilling – preserving what is essential to us all: health.

In 2006, the Group created a network of sustainable development delegates representing the principal functions and countries under the leadership of the Corporate Sustainable Development Department. This network clearly demonstrates the Group's commitment to strengthen the implementation and monitoring of our approach.

It goes without saying: sanofi-aventis upholds the highest international standards when it comes to respect for Human Rights (particularly patients' rights). Beyond that, the Group has increased its levels of requirements by drafting and distributing in-house charters and ensuring their implementation: the Code of Ethics, the Social Charter and charters concerning ethical purchasing, use of laboratory animals and human biospecimens, as well as Good Clinical Practices, the Code of Financial Ethics, the Health, Safety and Environment policy, and the Pharmacovigilance and Quality Assurance functions. Last but not least, the chemistry sites have made a commitment to improve safety and protect health and the environment in accordance with the principles of Responsible Care®.

These are powerful illustrations of sanofi-aventis' determination to promote good practices in every aspect of its operations: Research & Development, Production, Distribution and Marketing.

2006 SUSTAINABLE DEVELOPMENT REPORT

ETHICS IN RESEARCH

Research and Development is an area of vital importance at sanofi-aventis, and in 2006 the Group invested 15.6% of its sales revenue in R&D (an increase of 9.5%). Bioethics, good practices in regards to conducting clinical trials, laboratory animal use and product safety are all key issues for the Group, which has established and distributed guidelines and universal charters on these topics to all employees worldwide.

In 2006, the Group carried out several hundred clinical trials in 60 countries, at over 7000 centers. Sanofi-aventis created independent expert committees to oversee the studies. The role of these Data Monitoring Committees is to ensure patient safety, especially during Phase III trials among high-risk populations, for studies concerning severe diseases and those involving morbimortality. The Group also carefully considers the international dimension of its clinical studies.

PROTECTING THE PATIENT

What each individual has the right to expect from a pharmaceutical company – patient protection – is in fact the result of careful organization and continual attention from all employees. Processes to ensure quality, safeguard supplies, combat counterfeit drugs and promote responsible marketing practices are monitored on a regular basis.

Sanofi-aventis is developing a new computerized system to enhance pharmacovigilance data management, encourage data exchange, and improve the quality and speed at which information circulates.

In its promotional practices, the Group adheres to both national and international codes governing the profession. It has developed a Responsible Marketing Code of Ethics that covers promotional material, congresses and seminars, pharmaceutical sales visits and post-marketing studies.

Continuous training for medical sales representatives is to guarantee the quality of their technique during promotional visits. Some subsidiaries test the knowledge level of their pharmaceutical sales representatives.

Another means of patient protection is to organize screening and awareness-raising campaigns. The Group works with national patient organizations in over 40 countries and has partnerships with international associations operating in 160 countries.

PROMOTING ACCESS TO HEALTHCARE

A majority of the world's population has little or no access to the most basic medicines. Sanofi-aventis has decided to take proactive steps to make access to medicines and vaccines an important part of our strategy – for all populations in need, whether in developing or industrialized countries.

The sanofi-aventis portfolio of medicines and vaccines includes products for the treatment of two of the three major pandemics that affect developing countries: malaria and tuberculosis. The Group is currently working to develop a vaccine for the third pandemic, HIV/AIDS.

The Group facilitates access to drugs for disadvantaged populations through partnerships such as the one it forged with the Drugs for Neglected Diseases initiative (DNDi), which led to the development of an innovative formulation combining two malaria drugs (artesunate and amodiaquine). We decided not to file a patent for this formulation.

Overall, sanofi-aventis coordinates some 40 programs (focusing on health, solidarity and children) in 52 countries, in addition to the many projects initiated by our subsidiaries.

SOCIAL RESPONSIBILITIES

The Group's policy regarding social dialogue is described in its Social Charter, translated into 20 languages and distributed to 100,000 employees in the 100 countries where sanofi-aventis operates.

The Group strives to integrate a wide range of skills into its workforce and values diverse cultures and experiences, which it considers to be a source of wealth and motivation to perform. It is committed to developing high-quality social dialogue and ensuring fair compensation and social coverage that will allow employees to deal with unexpected events. The Group is committed to professional development as well as the health and safety of its employees and their children.

LIMITING ENVIRONMENTAL IMPACTS

Emission reduction has for years been a concern at sanofi-aventis. Our approach today is more comprehensive, enabling us to limit our environmental impact and protect our planet. In addition to minimizing local emissions, the approach includes greenhouse gas reduction, our environmental product life cycle and natural resource preservation as well as biodiversity.

By way of example, since 2005 sanofi-aventis has carried out the environmental assessment of its marketed medications through the ECOVAL committee (environmental experts). An environmental risk assessment is performed for each drug, taking into account its estimated environmental concentration, environmental fate, and impact on flora and fauna.

IMPACT ON LOCAL COMMUNITIES AND ECONOMIES

Sanofi-aventis places particular importance on initiatives with a positive impact for local economies and communities. Going beyond regulatory requirements, it puts emphasis on safety and local economic development. Often this takes the form of setting up local R&D and industrial product development activities. Through its responsible purchasing policy, sanofi-aventis also ensures that suppliers meet satisfactory social, ethical and environmental standards.

With this sustainable development approach, sanofi-aventis is committed to the public (especially its patients), employees, the scientific and medical community, international organizations, national authorities and local communities, suppliers and its shareholders.

The key challenges of sustainable development

CHOOSING SUBJECTS AND INDICATORS

To determine the topics to be included in this report, we performed the materiality test described in the Global Reporting Initiative (G3)[1] non-financial reporting standard and the AA1000 SES[2] Stakeholder Engagement standard. The firm Utopies[3] carried out the test, which consisted of analyzing:

- the local and international regulatory context;
- the 2005 sustainable development reports from other pharmaceutical companies and codes of conduct in order to identify the issues that are considered relevant within this sector;
- performance indicators identified in the Global Reporting Initiative G3 guidelines;
- the most widely recognized codes across the sector applicable to multinational groups (UN Global Compact, Organization for Economic Cooperation and Development Principles, Business Leaders Initiative on Human Rights, etc.);
- questionnaires from the major non-financial rating agencies;
- expectations expressed by lobbyists (NGOs, consumer advocacy groups, ethical investors) that are accessible through various publications (reports, web sites), as well as campaigns and direct questions.

The primary subject areas are shown in the diagram.

(1) www.globalreporting.org
(2) www.accountability.org.uk
(3) www.utopies.com

INFLUENCE AND IMPACT ON SUPPLIERS

The main purchasing categories for a pharmaceutical group pertain to sub-contracting certain research activities (i.e. clinical trials) as well as marketing, services (training, maintenance, financial services, etc.), logistics and raw materials. The key challenges involve incorporating social and environmental criteria into purchasing criteria and more specifically, the safety of personnel working for contractors.

IMPACT ON THE AIR QUALITY AND ATMOSPHERE

The primary impacts on air quality and atmosphere in connection with our business activities include:
- carbon dioxide emissions;
- volatile organic compound emissions in connection with the use of solvents;
- to a lesser degree, ozone-depleting emissions and NOx and SOx from boilers.

IMPACT ON WATER AND SOIL

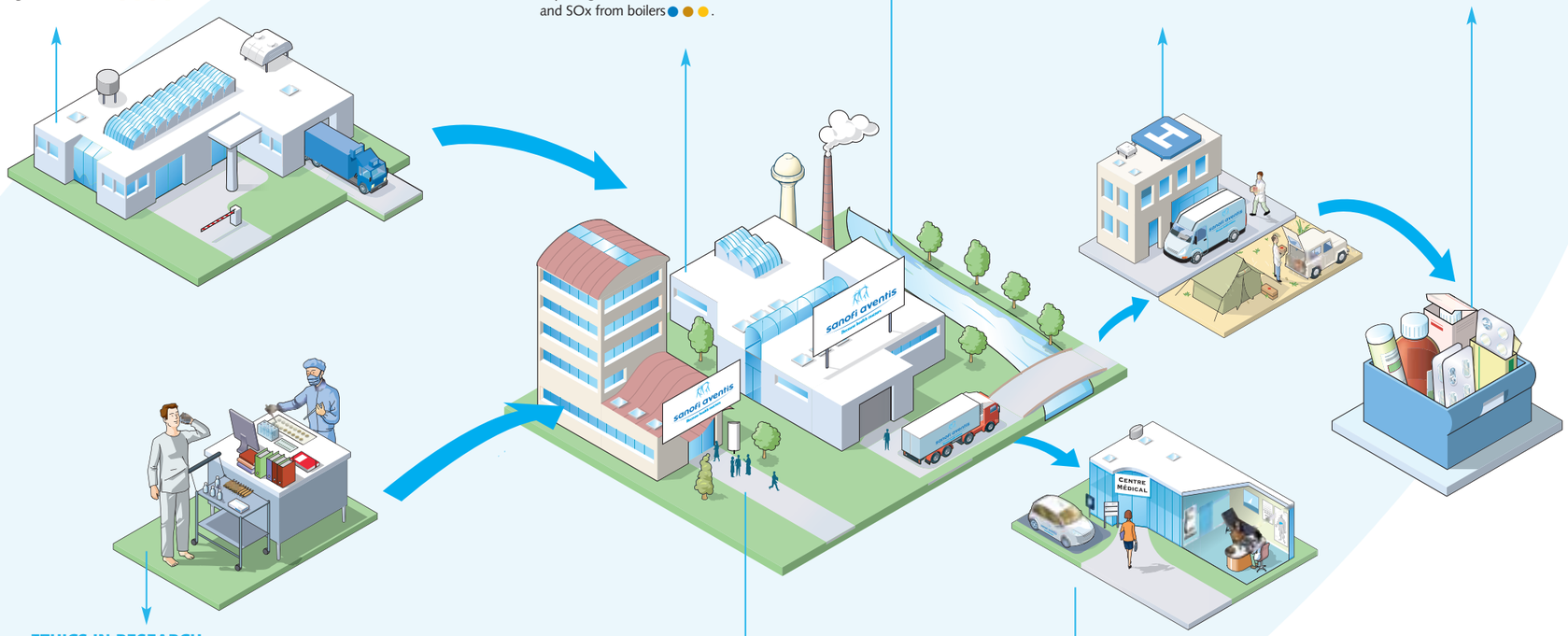
The primary challenges concern:
- water consumption;
- wastewater discharge;
- the risk of soil contamination and remediation;
- reducing and recycling waste.

USE OF MEDICINES

The most important challenges concern:
- access to care for low-income populations by adapting prices, donations and an appropriate distribution system;
- product quality and safety;
- monitoring adverse events associated with the use of medicines.

END OF A PRODUCT'S LIFE CYCLE

The key challenges to be met are:
- the environmental impact of active substances following consumption;
- recovering and reprocessing unused medicines;
- reducing and recycling packaging materials.



ETHICS IN RESEARCH

The key issues in this area include:
- respecting the principles of bioethics;
- treatment and conditions for laboratory animals and the development of alternative research methods;
- protecting patients and healthy volunteers who participate in clinical trials;
- sharing benefits with the community whose traditional knowledge or biodiversity is used;
- innovation.

LABOR CONDITIONS

Currently the major challenges are:
- support for social dialogue;
- responsible reorganization management;
- preventing discrimination and promoting diversity;
- compensation levels, social protection and career prospects aligned with needs and the market;
- employee profit-sharing;
- the protection of health and occupational safety for employees and contractors.

INFLUENCING LAWMAKERS, PRESCRIBERS AND CONSUMERS

The key challenges pertain to:
- lobbying goals and methods that are consistent with the Group's sustainable development policies;
- fighting corruption;
- respecting ethics in the promotion of medicines;
- raising public awareness of diseases and supporting patient organizations;
- providing for dispute management.

The Group's proacti ve approach

This section offers a glimpse of the organization, policies, management systems and opportunities for dialogue put in place by sanofi-aventis in order to address the key sustainable development challenges.

To respond to the public's expectations concerning corporate governance and sustainable development:

- as of 1st January 2007, the office of Chairman of the Board and the office of Chief Executive Officer were separated;
- five employee representatives now sit on the Board of Directors, in accordance with the 2005 European Works Council agreement;
- a Sustainable Development Department was created, reporting to the Senior Vice President of Corporate Affairs, and supported by a delegates network;
- Group policies were strengthened by publication and distribution of a Code of Ethics and specific guidelines were drafted for both purchasing and responsible marketing;
- in accordance with the Sarbanes Oxley Act requirements, the Group internationally implemented an early warning system;
- for the first time, the Group is publishing its key public position statements in this report.

A hands-on approach to sustainable development

Sanofi-aventis is committed to making sustainable development an important part of its business operations. This commitment is illustrated by the day-to-day involvement of employees throughout the Group, from the Board of Directors down throughout the businesses. To strengthen this approach, a department specifically devoted to sustainable development was formed in 2006.
In addition, sustainable development delegates were appointed within functions and three countries.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The company is managed by a Board of Directors made up of seventeen members, nine of whom are independent. An independent director is one who has no material association whatsoever with a company, its Group or management that may compromise the independent exercise of the director's best judgment. The Board of Directors develops the list of members who meet these criteria. Directors are appointed for a maximum term of four years. No more than one third of serving members may be over 70 years of age.

	STANDARDS OF GOOD GOVERNANCE (1)	SANOFI-AVENTIS		
INDEPENDENCE				
DIRECTORS among themselves and in relation to management	At least 50% of Board and Compensation Committee directors are independent	Board of Directors	Audit Committee	Compensation, Appointments and Governance Committee
	Definition of independence determined by the Board of Directors	9/17	4/4	4/6
	Independence standards based on the Bouton report	Independence standards based on the Bouton report		
	No cross check	No cross check		
	Length director's term	4 years		
AUDITORS in relation to management	Statutory auditors may not provide consulting services with the exception of audit services	(See details in the reference document, page 276)		
	Auditor and Audit Committee meetings without management in attendance	Prior to Board meetings, at Audit Committee meetings semi-annual and annual financial statements are approved		
INVOLVEMENT IN DECISION-MAKING				
DIRECTORS	Number of meetings – Average attendance rate at Board meetings	7 meetings – 86.5%		
	Accounting, Appointments and Compensation Committees	Audit Committee	Compensation, Appointments and Governance Committee	
	Number of meetings in 2006	7	2	
	Attendance rate	100%	91.7%	
	Assessment of Board operations every three years	Implemented as of 2006. Assessment made by the Board secretary. A report was made at the Board meeting of 12 February 2007		
SHAREHOLDERS	Proportion of votes expressed in a general assembly by shareholders present, represented or by absentee vote	The total number of votes represents 56.6% of existing voting rights. Resolutions were adopted by an average of 97% in 2006		
OTHER STAKEHOLDERS	Directors representing non-stockholder stakeholders	None		
	Number of resolutions related to Corporate Social Responsibility (CSR) passed and adopted in a general assembly	None		
	Number and proportion of service providers having addressed issues related to CSR	None		

(1) Primarily based on the Viennot and Bouton reports and the Sarbanes-Oxley Act.

Subject to the authority specifically reserved for general shareholder meetings, and within corporate scope, the Board of Directors addresses and makes decisions on issues relating to the efficient operation of the company and other matters concerning the Board. The Board of Directors determines the direction of the business and oversees implementation.

The Directors' Code specifies the Directors' responsibilities, the Board's composition, its duties and working procedures as well as those of its committees. Once a year, the Board deliberates on its operations. A formalized assessment is made every three years.

Additionally, five Group employee representatives sit on the sanofi-aventis Board of Directors in an advisory capacity, in accordance with the European Works Council agreement signed on 24 February 2005.

Goal

Presentation of a Group policy report on sustainable development at the 2007 general assembly.

RECENT CHANGES

During the Board of Directors meeting on 14 December 2006, it was resolved to:
- separate the office of Chairman of the Board of Directors and the office of Chief Executive Officer;
- appoint Gérard Le Fur as Chief Executive Officer, with Jean-François Dehecq retaining the Chairmanship of the Board of Directors, taking effect on 1st January 2007.

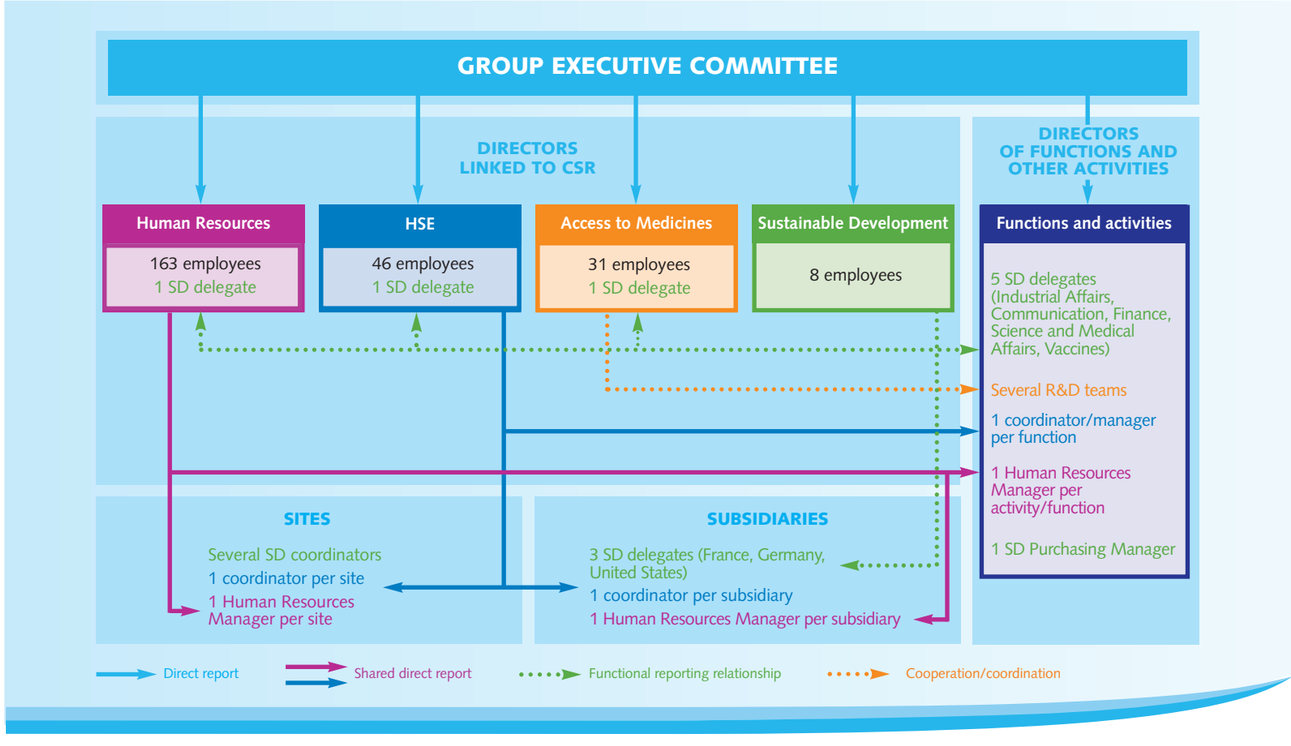
ORGANIZING THE SYSTEM

NEW DEVELOPMENTS IN 2006

The year 2006 was characterized by the enhancement of sanofi-aventis' sustainable development approach with the creation of an independent department directly reporting to the Senior Vice President of Corporate Affairs. As of November 2006, a sustainable development delegate network supporting this initiative was set up within the functions, operations and three major country subsidiaries: France, Germany and the United States. These delegates have N-1 or N-2 positions within their respective entities. They devote approximately one-third of their time to coordinating and promoting sustainable development within their entity and meet every two months with the sustainable development manager within the committee. They oversee action implementation, propose issues to address and discuss new challenges for the company. The improvement plans resulting from these discussions are validated by Senior Management.

PROSPECTS FOR 2007

In 2007, the Group will increase its sustainable development efforts by defining measurable goals with specific deadlines. Some of the goals are included in this report. The degree of accuracy of these goals depends on the context:
- in "standardized" areas such as Health, Safety and Environment (HSE), the Group's goals are broken down by function;
- in socio-economic areas, which are more dependent on local regulatory and cultural contexts, Group objectives will consist of decentralized commitments that the functions and subsidiaries will need to comply with in terms of action plans adapted to their local working environment.



Converting the sustainable development approach into actions

In addition to the Group values and principles on which our sustainable development approach is based, specific policies have been defined for the Group's functions and activities. Furthermore, adapted resources are deployed to ensure these policies are implemented effectively wherever the Group operates.

GROUP POLICIES

Sanofi-aventis uses a combination of policies, procedures and initiatives to address issues identified as being very important for the pharmaceutical sector (see pages 4 and 5).
The Group respects the legal and cultural environment of the countries in which it operates. It has defined a set of policies that encompasses the major issues related to its business activities.

COMPLIANCE WITH THE HIGHEST STANDARDS

The Group adheres to the following international codes, rules and principles:
• the principles of the Universal Declaration of Human Rights;
• the principles of the International Labor Organization (ILO);
• the principles of the UN Global Compact in the areas of human rights, labor standards, the environment and anti-corruption;
• the directives issued by the Organization for Economic Cooperation and Development (OECD) geared to multinational firms and particularly concerning good business practices, anti-corruption and illegal payments;
• the "ethical criteria" of the World Health Organization (WHO) with regard to drug promotion, as well as codes from the International Federation of Pharmaceutical Manufacturers Associations (IFPMA) and the European Federation of Pharmaceutical Industries and Associations (EFPIA) concerning good commercial practices;
• rules developed by professional associations (European, American and Japanese) concerning the transparency of clinical trials;
• the ILAR Guide (Institute for Laboratory Animal Research) and the UFAW Handbook (Universities Federation for Animal Welfare) on animal testing;
• WHO recommendations on drug donations.
Sanofi-aventis also complies with many external national codes, especially those related to good commercial practices.

GROUP LEVEL POLICIES

In addition to external standards and codes, a series of internal company documents outline the principles and policies that apply to the Group as a whole.

The sanofi-aventis Code of Ethics defines corporate principles and individual behavioral rules. It was distributed to all employees after having been translated into over 20 languages.

Several charters and policies delineate the Group's rules and commitments:
• the Social Charter outlines the principles that form the common base underpinning human resources within the Group. It was distributed to all employees in about 20 languages;
• the Ethical Charter for Purchasing defines the relationship between sanofi-aventis buyers and suppliers – the attitudes and conduct that buyers must adopt, rules concerning conflicts of interest and accepting gifts from suppliers, as well as information that must remain confidential;
• the sanofi-aventis charter on the humane care and use of laboratory animals, general principles with regard to the ethical use of human biospecimens, and Good Clinical Practices (GCP) provide the framework for our research and development activities:
– the charter specifies the conditions for using laboratory animals and affirms Group principles that promote higher animal care standards;
– the general principles define the conditions for the use of biospecimens as well as donors' rights;
– the GCP define the Group's medical ethics rules concerning clinical trials (assessment of benefit/risk ratio, making sure patients are well informed and obtain informed consent, public access to clinical data). In addition, the Group completed drafting its transparency rules about clinical trials.
• the Group has a Code of Financial Ethics and a Data Protection Charter;
• the Health, Safety and Environment policy (HSE) is based on eight guidelines that govern actions with respect to Group employees, outside partners, natural resources and environmental protection. Moreover, Group pharmaceutical chemistry sites adhere to the "chemical industry's commitment to improve environmental protection", an obligation to carry out their operations while continuously improving safety, and protecting health and the environment by applying the principles of Responsible Care®.

In certain areas such as access to medicines, local economic development or increasing public awareness of diseases, the Group organizes initiatives and programs, often in partnership with international and local organizations that are in accordance with Group values.

IMPLEMENTING POLICY

MANAGEMENT SYSTEMS

Sanofi-aventis adopts procedures that make it possible to disseminate and oversee the application of policies. Various management systems make this possible:
• "Data Monitoring Committees" consist of independent experts that monitor the feasibility and risks for subjects or patients in clinical trials. Moreover, ethics committees are responsible for monitoring animals use and their welfare;
• the Group's quality departments ensure the product quality level during various research and development phases, industrial development, manufacturing and distribution;
• pharmacovigilance(1) divisions in each of the subsidiaries and at Group level collect, record, analyze and communicate information concerning our drugs reported by patients, clinical trial investigators and healthcare professionals;
• the HSE policy describes the framework for the Group's actions. Management defines the roles and responsibilities of each person involved. The implementation plan identifies HSE-type hazards and associated risks, as well as areas for site improvements. Each site is responsible for implementing the HSE policy.
Performance assessment and monitoring are recorded in performance charts. Finally, self-inspection, audit and HSE management review procedures ensure program follow-up and progress reports. In addition, three expert committees steered by HSE management – COVALIS, TRIBIO and ECOVAL – assess the risks of research and development and production activities (substance hazard levels, environmental risks of the Group's major drugs, etc.). In 2006, 47 sites underwent an internal HSE audit and many sanofi-aventis sites sought ISO 14001 environmental certification (33 sites worldwide are certified);
• various Human Resources (HR) functions at the Group level develop HR policies with HR managers from the business functions (Pharmaceutical Operations, Science and Medical Affairs, Vaccines, Industrial Affairs and Administrative Functions), who ensure their application. They are responsible for action plan implementation and the follow-up of indicators for their activity; moreover, they periodically report their results to the Group. Training is regularly organized during seminars to train employees involved in the HR network. In this way, the "Performance and Development" review, or employee review, encourages employee mobility geographically and among functions;
• concerning responsible purchasing, their approach is being currently implemented (see page 66).

In addition to these procedures, the Group developed a warning system enabling all Group employees to express their concern about practices that they believe fails to respect or contradicts the Code of Ethics.

REPORTING SYSTEMS

Sanofi-aventis has comprehensive reporting systems that encompass the entire Group's scope – human resources, health, safety and environment, finance and Code of Ethics compliance. For more details, see the methodology used pages 76-78.

(1) Pharmacovigilance consists of monitoring and informing healthcare authorities of all serious and/or unexpected adverse side effects of a drug that has been marketed.

More detailed information per country or per site concerning human resources and the environment are provided to our stakeholders within the framework of dialogue and consultation, for example, in the form of an international social report.

ETHICAL BUSINESS CONDUCT

Compliance with ethical conduct, a top priority for sanofi-aventis, is based on sound and carefully defined guidelines, particularly the Code of Ethics and other codes geared more specifically to the different functions (purchasing, commercial practices, etc.).

Code implementation is supervised and coordinated by a compliance officer network in each country and by an Ethics Committee at the central level. It relies on training and verification tools and an alert and support system for all employees worldwide.

For more information see the following link:
www.sanofi-aventis.com

ORGANIZING THE NETWORK TO ENSURE COMPLIANCE WITH THE CODE OF ETHICS

The aim of the relationships illustrated in (page 12) and validated by the Ethics Committee is to take into account the geographic scope as well as criteria related to the major Group functions. Within this framework, each subsidiary has the flexibility to adapt its actions in accordance with the way its entity's functions are organized.

COMMUNICATING AND UNDERSTANDING THE CODE OF ETHICS

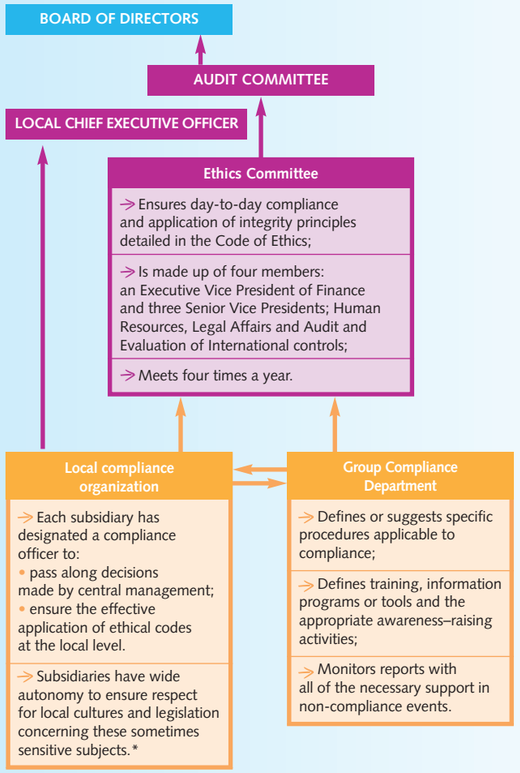
The Code of Ethics was posted on the sanofi-aventis Intranet as well as on the corporate Internet site in November 2005.

It was distributed to all Group employees. Five versions were printed (French, English, German, Spanish and Portuguese) and made available to the subsidiaries. In addition, 18 countries translated the Code into their local language. All together, more than 90% of the subsidiaries, corresponding to over 95% of the total workforce, distributed versions of the Code in their local language.

Seventy-two percent of the subsidiaries required their employees to sign a receipt acknowledging that they had received the Code.

Risk identification by subsidiaries
Interactions with the subsidiaries and exchanges within the compliance officer network make it possible to more clearly determine the topics that are considered more sensitive. Based on the topics included in the Code of Ethics, the Group *via* legal teams develop presentations on specific subjects, in order to attain employee understanding and awareness for all ethical conduct areas.

ORGANIZING THE NETWORK TO ENSURE CODE OF ETHICS COMPLIANCE



**Some subsidiaries such as Japan or the United States have more formalized structures. Moreover, some countries have taken the initiative to set up their own committee to oversee these issues: Germany, Canada, Spain, Italy, Pakistan, Russia, Turkey.*

The fight against corruption and respect for free competition

Sanofi-aventis adheres to national and international regulations prohibiting corruption or illegal payments, specifically, the U.S. Foreign Corrupt Practices Act, OECD rules and the letter and spirit of all applicable regulations. Sanofi-aventis supports the ten principles of the UN Global Compact, especially relating to anti-corruption. So, the Group prohibits all illegal payments to its customers, suppliers, associates, distributors and other stakeholders.

Concerning respect for free competition, sanofi-aventis fully adheres to the principle that an efficiently run economy is based on fair exchange within the framework of open competition. Sanofi-aventis' aim is to improve its position on world markets by encouraging competition and relying on its product portfolio.

AN ALERT SYSTEM

An alert system has been in place since 2006 to help resolve ethical issues. All Group employees may anonymously express, if necessary, their concern about illicit practices that they feel contradict the Code of Ethics.
In the United States, in compliance with local practices and regulations, a external "compliance helpline" is available to employees and may be used at any time.

Moreover, in application of the US Sarbanes-Oxley Act, alerts concerning internal control, finances and accounting are submitted to the Audit and Internal Control Department for investigation and may be reported to the Company's Audit Committee.

Subsidiaries may sometimes manage reports directly. In these cases, the compliance manager handles them locally. The compliance manager investigates the reports to assure that the allegations are founded. The manager then forwards the allegations and any disciplinary actions to the corporate compliance department. A report is written and the Ethics Committee is informed.

For more information, see the report of the Chairman of the Board of Directors – Internal Control – in the 2006 Document de Référence pages 147 to 172.

Outside of the United States, the corporate compliance department handled about 20 calls in 2006. In the United States, more than 600 calls were received, three-quarters of which were requests for information.

All reports are routinely investigated in accordance with procedures and, when justified, disciplinary measures are taken.

2007 Goals

- Training and awareness-raising initiatives concerning respect for ethical and legal rules will continue and be strengthened by:
  - e-learning projects. This type of ethical conduct training *via* the Intranet must be as educational and as accessible as possible for Group employees. The aim is to reach all employees worldwide. These training tools have been used in the United States for several years and have made it possible to provide training to over 15,000 employees;
  - making specific training tools (presentations, case studies) available to the subsidiaries about the topics identified as being the most sensitive;
  - organizing a seminar with primary compliance managers.
- Interaction with outside partners will be emphasized to develop their understanding of ethical rules and principles and to ensure their respect.

RELATIONSHIPS WITH STAKEHOLDERS

Sanofi-aventis carries out its business activities in close collaboration with numerous stakeholder groups – patients, employees, shareholders, competitors and local communities who make up the Group's day-to-day environment. Sanofi-aventis is also in constant contact with authorities and healthcare professionals during the entire drug development life cycle. The Group creates partnerships with a number of NGOs and international organizations, especially for the development of medicines and to ensure access to patient treatment.
The table below provides an illustration of the types of relationships the Group maintains with these different organizations. The results of this ongoing dialogue will be described throughout the section on the Group's performance.

SANOFI-AVENTIS STAKEHOLDERS	TYPES OF RELATIONSHIPS	EXAMPLES OF SPECIFIC ACTIONS
PATIENTS • Patients • General public	• Distribution of clinical trial results 🟡	
• Patient associations	• Information partnerships (prevention, screening, available treatments) and support for patients and their families 🔵	International Union Against Cancer (UICC), College of Cancer Researchers of France (MCF)
HEALTHCARE PROFESSIONALS • Physicians • Pharmacists and distributors	• Medical and pharmaceutical sales visits • Distribution of clinical trial results 🟡 • Participation in continuing education	Continuing medical education in France
• Researchers and public experts (universities, hospitals)	• Monitoring of clinical trials (Data Monitoring Committee) and health risks for employees 🟢 • Public/private research partnerships 🔵	Partnership with the École des mines (Engineering School) of Paris on health risks
AUTHORITIES • Health authorities	• Expertise and advice throughout the development of a drug 🟡 • Ensuring that practices comply with national and international regulations in force (assessment of registration dossiers and inspections) 🟢 • Information on the serious/unexpected adverse drug side effects (declarations and periodic summary reports) 🟡	
• Health ministries	• Agreements in the event of a health crisis 🔵 • Training agreements or free low cost access to certain drugs for low income populations	Production of pre-pandemic vaccines including an avian flu strain (France, United States, Europe, etc.) Training of caregivers in South Africa
• HSE regulatory agencies	• Ensuring that practices comply with national and international regulations 🟢	
SUPPLIERS	• Awareness of human rights, working conditions and respect for the environment 🔵 • Audits under development 🔵	
EMPLOYEES	• Dialogue and consultation 🟡 • Negotiations with trade unions 🟢	European Works Council, French Group Works Council, employee representative forum in the United Kingdom Agreements in France regarding union rights, Group employee savings plan, job classifications, internal mobility...
OTHER PHARMACEUTICAL LABORATORIES	• Research partnerships 🔵	European programs on rare diseases (RDTI and OrphanXchange)
NGOS' AND INTERNATIONAL ORGANIZATIONS (I.E. WORLD HEALTH ORGANIZATION)	• Drug donations/drugs available at affordable prices 🔵 • Awareness-raising and disease prevention in local communities 🔵 • Training 🔵 • Pharmaceutical assistance to medical teams 🔵 • Research 🔵	Partnership with WHO for sleeping sickness; Partnership with CARE for malaria Nelson Mandela Foundation for tuberculosis
SHAREHOLDERS	• Information meetings 🟢	
RATING AGENCIES	• Replies to questionnaires 🟡	
LOCAL COMMUNITIES	• Awareness-raising and prevention (see partnerships with NGOs) 🟡	

Level of sanofi-aventis' involvement in relationships with its stakeholders:

- 🟢 Concerned stakeholders play a supervisory role (for example, health authorities) or a bargaining role (for example, trade unions).
- 🔵 Sanofi-aventis partnerships (for example, NGOs involved in development or access to care) or contractual relationships (i.e. suppliers).
- 🟡 Sanofi-aventis consults, informs and discusses the involved stakeholders (i.e. physicians).

In addition to shareholders and health authorities that monitor our business, sanofi-aventis extends to employees the opportunity to participate in the Group's key issues:
• five employee representatives sit on the Board of Directors in an advisory capacity;
• a European Works Council was set up in 2005.

Moreover, the Group has developed partnerships with a number of stakeholders, which allows it to immediately react in the event of a health crisis and to improve access to medicines for low income populations. For example:
• sanofi-aventis has been working with the World Health Organization since 2001, specifically to combat sleeping sickness, and in disease eradication programs such as polio (see pages 38-45 on access to medicines);
• CARE, the NGO for development, has been the Group's partner since 2003. Sanofi-aventis works with CARE to establish annual goals on access to certain medicines in developing countries and takes advantage of their presence to act effectively in local communities;
• the Group also pursues many efforts with various NGOs and local associations in coordination with the institutions involved (International Response Committee, Handicap International, etc.).

Finally, the Group acts to improve information distribution and pursue stakeholder dialogue at the local level.

INSTITUTIONAL RELATIONS

At the heart of sanofi-aventis' business activities lie several important issues that are the focus of public policies at the national, regional and international levels, particularly:
• the safety of patients and consumers who use medicines, the driving force behind regulations governing drug registration, quality and pharmacovigilance controls;
• the economic management of public health systems, which gives rise to national regulations;
• the promotion and protection of scientific and technical innovation;
• access to medicines for disadvantaged populations, in particular in developing countries.

For this reason, sanofi-aventis develops and maintains relationships with the institutions that draft and enforce these regulations, with the goal of providing information they need and enabling them to become familiar with the Group's positions for the sake of clarity and transparency. The Institutional and Professional Relations Department includes seven people who are based in Paris, Brussels, Geneva and Washington, D.C. Their existence is supported by our strong commitment to participate in key professional federations that represent the pharmaceutical industry at the national, European and international levels, as a means to contribute to the ongoing improvement of technical standards and the environment in which the Group operates. This department coordinates and supports the local efforts of Public Affairs Departments at Group subsidiaries.

PRIMARY ASSOCIATIONS OF WHICH SANOFI-AVENTIS IS A MEMBER

→ **Research-based pharmaceutical industry associations:**

- **International:**
  – International Federation of Pharmaceutical Manufacturers and Associations (IFPMA);
  – Influenza Vaccine Supply International Task Force (IFPMA/IVS).
- **Europe:**
  – European Federation of Pharmaceutical Industry Associations (EFPIA);
  – European Vaccine Manufacturers (EVM);
  – Association British Pharmaceutical Industries (ABPI) in the United Kingdom;
  – French Pharmaceutical Companies Association (LEEM);
  – German Association of Research-based Pharmaceutical Companies (VFA).
- **United States:**
  – Pharmaceutical Research and Manufacturers Association (PhRMA);
  – Biotechnology Industry Organization (BIO).
- **Japan:**
  – Japan Pharmaceutical Manufacturers Association (JPMA).
- and the associations representing the pharmaceutical industry in each country where sanofi-aventis operates.

→ **Other professional associations, in France:**

- French Employers' Association (MEDEF);
- French Association for Private Enterprises (AFEP);
- Circle of Industry.

→ **Organizations working in the field of sustainable development:**

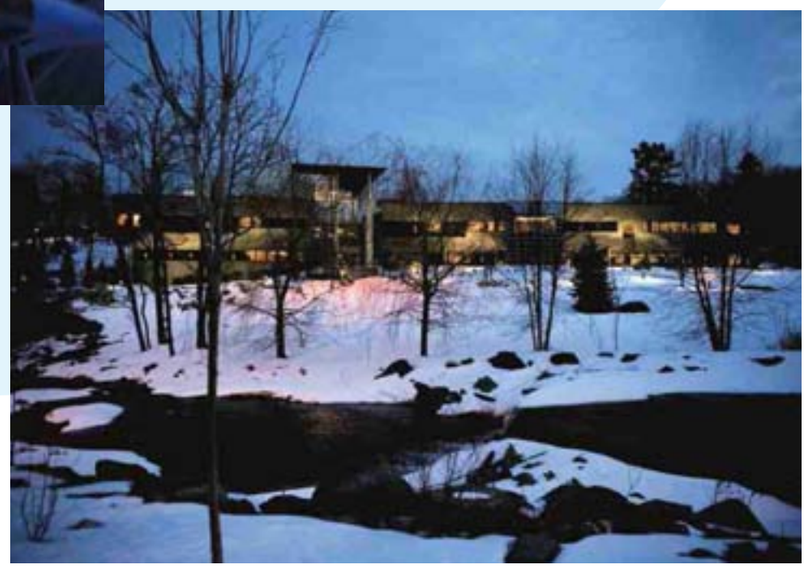
- UN Global Compact;
- Corporate Social Responsibility Europe (CSR Europe);
- Center for the Study of Corporate Social Responsibility (ORSE), World Environment Center (WEC), Enterprises for the Environment (EPE).

Sanofi-aventis builds professional and institutional relationships in a context of transparency (identification of representatives, publishing positions on a regular basis) and in accordance with strict ethical rules (respect for individuals and the mandate they fulfill, absolute refusal to use any illicit means). At the same time, sanofi-aventis includes pursuing general interests and the development of mutually beneficial solutions in its objectives, particularly within the scope of public-private partnerships such as the one developed with WHO (for the fight against certain neglected tropical diseases).

THE GROUP'S POSITION ON KEY ISSUES

ISSUES	SANOFI-AVENTIS' POSITION
DEFENDING INNOVATION	Sanofi-aventis believes that innovation is the most effective answer to unresolved public health problems (unmet medical needs, technically or economically unadapted treatments, etc.). For this reason, the Group supports public policies and initiatives designed to encourage innovation worldwide.
RESPECTING INTELLECTUAL PROPERTY RIGHTS	Sanofi-aventis considers respect for intellectual property an essential part of stimulating research and encouraging the risk-taking it involves. The Group believes it is important for the international agreements of the World Trade Organization (WTO) to be applied and upheld.
COMPULSORY LICENSES	While it steadfastly defends the respect for intellectual property rights, sanofi-aventis accepts the practice of compulsory licenses in the event of health emergencies. The Group nevertheless emphasizes that implementation should adhere to the conditions specified by the WTO.
ENSURING THE QUALITY OF MEDICINES AND FIGHTING COUNTERFEIT DRUGS	Sanofi-aventis ensures product quality for patients and the medical personnel in all countries throughout the world. The Group actively supports public authorities efforts, wherever they may be, to guarantee the highest standards of drug quality and safety and fight counterfeit drugs. In accordance with this position, it alerts health authorities of the risks involved in parallel trade and pharmaceutical sales over the Internet.
CLINICAL TRIALS	Sanofi-aventis supports efforts to improve clinical trial transparency so that patients and/or healthy volunteers will be better informed about the trials in which they participate and their rights will be guaranteed. It publishes information about its own clinical trials *via* specialized Internet sites. Regardless of the country where the Group carries out clinical trials, it ensures compliance with ethical standards for the protection of those enrolled in the trials.
PATIENTS' RIGHTS	Sanofi-aventis considers that meeting the actual patient needs must be the first criterion to assess the validity and relevance of health policies. Patients must be able to benefit from innovations that can improve their health as quickly as possible without obstruction by unjustified administrative obstacles.
ACCESS TO MEDICINES IN DEVELOPING COUNTRIES	Sanofi-aventis promotes international solidarity efforts making it possible to finance better access to healthcare for populations in need. The Group has numerous partnerships with national and international public health organizations (WHO, Global Alliance for Vaccines and Immunization, Nelson Mandela Foundation, etc.). For further information, see pages 38-45.
GOOD COMMERCIAL PRACTICES	Sanofi-aventis adheres to good commercial practices adopted by professional associations to which it belongs (IFPMA, EFPIA and the primary national codes in the United States, France, United Kingdom, Germany, Japan, etc.). Sanofi-aventis refrains from any practices resembling forced prescriptions or those considered corruption.
PEDIATRIC DRUGS	Sanofi-aventis routinely studies the opportunity to develop new pediatric medicines, and meets registration agencies requirements. The Group also applies this approach to drugs for the treatment of diseases in developing countries: for example, it produces a pediatric version of the drug combination artesunate + amodiaquine (AS-AQ), launched recently by the Group for the treatment of malaria, a disease that is especially serious in children.
PRICE SETTING	The Group's preference is to let the market determine the "fair" price of a medicine, for all drugs that are not reimbursed by a public health insurance system. In countries where price setting is practiced by administrative authorities, the Group would like prices to take into account the need to pursue today's research efforts for the sake of tomorrow's health. In Europe, where prices are set by authorities in the different countries but products circulate freely, the Group has stated its preference for laboratories' freedom to set a single "factory exit" price for Europe with variable national compensation (from one country to another) applied to locally consumed products.
PARALLEL TRADE	Experience has clearly shown that parallel trade brings very little benefit to patients. In addition, increasing the number of commercial intermediaries makes it more difficult, and sometimes impossible, to ensure product traceability. This may create patient risk, especially in connection with counterfeit products introduced into commercial channels. For all these reasons, sanofi-aventis has always expressed very strong reservations about the parallel trade of medicines.

Vaccine production site at Swiftwater, Pa (United States).



Anticipating and managing crises

Sanofi-aventis adopts a proactive strategy to reduce various risks and avoid facing a crisis. Crises, should they arise, must nonetheless be planned for.

CRISIS MANAGEMENT

ONE PROCEDURE, FOUR OBJECTIVES

The procedure for managing a crisis, event or series of events that occurs suddenly and abruptly, is designed to meet four objectives:
- anticipating the development of crises using alert management principles;
- preparing teams to react quickly and efficiently using crisis management principles that are clearly understood by everyone;
- maintaining facilities, training and awareness-raising initiatives;
- providing for immediate mobilization, both individual and collective.

Procedure implementation is decentralized among the Group's two businesses, Pharmaceuticals and Vaccines, and its four functions: Industrial Affairs, Science and Medical Affairs, Pharmaceutical Operations and Administrative Functions.

THE IMPORTANCE OF DECENTRALIZED MANAGEMENT

According to crisis management principles, at the start of any crisis it is essential to determine the level at which it will be operationally managed (i.e. site/country/region/function/business/Group). The head of the crisis management team must also be designated. Once the director of this unit has been named, he or she recommends team members, who are chosen based on their knowledge of the crisis type and their ability to involve department management which they represent. They must ensure that any decisions taken are compatible with the policies, procedures and departmental priorities they act on behalf of, and, if necessary, mobilize its resources. In addition, it is imperative for each unit to include a communications manager, a secretary and an operations logistics manager. Decisions made by the unit follow a specific validation and communications procedure. When the crisis has ended, the Group manager in charge of the crisis declares that it is formally concluded.

Training and awareness are decentralized at the Group's business operations and functional level. They include the following:
- distribution of the reference document to functions, regions and countries;
- organizing training sessions to teach employees about the Group's crisis management procedure;
- creating, for each organization of the Group (site, country, region, function, business), two simulations per year with the goal of testing alert management procedures, since the implementation of such procedures falls under their responsibility;
- setting up one practice exercise per year, for each of the Group's organizations in order to test its reactivity in the event of a crisis.

THE NEED FOR FEEDBACK

After every crisis, a "crisis management assessment" is drafted to provide feedback about the experience. This assessment must be available within six weeks following the end of the crisis, and suggests improvements to the crisis management procedure, or recommendations concerning how the Group's organizations put the procedure into practice.

MANAGING THE RISK OF AN INFLUENZA PANDEMIC

Since 2004, the highly pathogenic H5N1 avian influenza virus has been circulating in different parts of the world, in particular Asia, and has caused severe damage to poultry, especially chickens. Today experts fear that the virus may acquire the capacity for human-to-human transmission, which could trigger a new influenza pandemic because people have never been exposed to the virus and are immunologically naive.
The potential risk of a flu pandemic represents two major challenges for the Group:
- the development of an effective vaccine that is well-tolerated and can be produced quickly, in very large quantities, once the viral strain has been identified by WHO and made available;
- the Group's preparedness for a possible pandemic in order to:

– guarantee the continuity of our activities during a pandemic and ensure that other essential vaccines and medicines will continue to be produced;
– insofar as possible, protect all Group employees.

Measures to ensure the Group's preparedness are developed in conjunction with:
- international organizations, especially WHO and its influenza reference laboratories;
- national and international authorities: France, United States, Canada, European Union, etc.;
- European, French and American registration authorities: EMEA, AFSSAPS, FDA;
- professional associations representing the pharmaceutical industry: the European Federation of Pharmaceutical Industries and Associations (EFPIA) / European Vaccine Manufacturers (EVM); International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) / Influenza Vaccine Supply Task Force (IVS), Biotechnology Industry Organization (BIO);
- scientific expert groups.

WHO DATA*	SANOFI PASTEUR DATA
350 million doses: current global production capacity for the trivalent flu vaccine	• 170 million doses: number of doses of seasonal flu vaccine produced by sanofi pasteur in 2006 • 2 formulations: Northern and Southern Hemisphere campaigns
The vaccine is produced in 8 countries, with 70% of doses produced in Europe	2 production sites: Val-de-Reuil, France, and Swiftwater, Pennsylvania (United States)
± 2 years: the likely duration of a pandemic	± 6 months: minimum time required to prepare a pandemic vaccine
$3 – 10 billion estimated cost for the implementation of the WHO Global Vaccine Action Plan	± 320 million euros: amount invested by sanofi-aventis to increase its production capacity in France and the United States

** Source: WHO Global Pandemic Influenza Action Plan to Increase Vaccine Supply, October 2006.*

DEVELOPING A VACCINE

The Group's objective is to develop an efficacious and well-tolerated vaccine that can be produced as rapidly as possible in very large quantities when the viral strain has been identified and made available by the WHO.
The combination of sanofi pasteur's substantial manufacturing capacity and its priority research program on the pandemic flu vaccine enable us to make a decisive contribution to pandemic flu action plans.
This contribution focuses on two major areas:

Investing in the face of a pandemic risk
- according to WHO recommendations, increasing seasonal influenza vaccine coverage is a key factor in pandemic preparedness plans: sanofi pasteur currently produces 170 million doses per year, which represents an increase of over 40% since 2003;
- 160 million dollars were invested in the United States to build a new manufacturing facility whose production capacity should be doubled by 2008-2009;
- 160 million euros were invested in France to build a formulation and filling unit at the sanofi pasteur facility located at Val-de-Reuil;
- other investments are being finalized on several continents.

Developing a program to explore new avenues of research
- mobilization of over 100 of our best scientists working in this field;
- development of a pre-pandemic vaccine based on the H5N1 virus (since 2004);
- ongoing vaccine trials to immunize against influenza caused by the H5N1 virus. A European registration dossier will be submitted in 2007 for this prototype vaccine;
- employing new technologies, such as cell cultures for vaccine production:
- launch of a clinical trial in September 2006 in the United States;
- delivery of the first clinical batch of an H7N1 vaccine produced in France within the framework of the FLUPAN collaborative research project funded by the European Commission.

Financing the program
Sanofi pasteur has relied on its own resources to finance most of its pandemic preparedness efforts in Europe. Purchase agreements for pre-pandemic H5N1 vaccine, which were entered into with France, Italy and the United States as well as other countries, are part of our pandemic preparedness support.

PREPARING THE GROUP FOR A POSSIBLE PANDEMIC

Sanofi-aventis has assembled a multidisciplinary committee called Vigiflu™ under the leadership of HSE. This committee brings together internal and external occupational health professionals, in-house experts from Vaccines, Human Resources, Communication and Information Systems as well as representatives from three business functions: Industrial Affairs, Science and Medical Affairs, and Pharmaceutical Operations.
The Vigiflu™ Committee meets every two months and, along with its working groups, prepares recommendations and initiatives that are communicated *via* a dedicated network (Vigiflu™ representatives, occupational physicians) and various communications tools (Intranet, brochures) to all sanofi-aventis sites and subsidiaries globally. Additionally, the Committee ensures continuous surveillance and provides reports regularly to Senior Management.

Activities in several areas are under way:
- a project has been launched to identify key positions that must continue to function in order to fulfill our public health mission in the event of a pandemic. Similarly, a list of essential drugs and vaccines that need to be continuously supplied during a crisis is near completion;
- preparedness and action plans have been implemented in all the subsidiaries:
  – a preparation guide was sent to all sites for use in the event of a pandemic. It contains general information, the Group action plan, personal hygiene measures, recommendations for travelers, decontamination measures in company buildings, etc;
  – 8.5 million FPP2 masks were distributed throughout the sanofi-aventis organization (during 2006-2007);
  – the annual flu vaccine was made available free of charge. Employees in all countries were encouraged to receive their flu shot: for the 2005-2006 campaign, the immunization rate was over 80% in certain regions;
  – in October 2006, the first simulation exercise was organized at all Group sites and subsidiaries.

SIMULATION EXERCISE CARRIED OUT AT SUBSIDIARIES

In October 2006, all the Group's sites and subsidiaries were asked to take part in an exercise to test their pandemic plans in the event of a suspected case of pandemic influenza at their site. One hundred or so sites and subsidiaries in more than 30 countries participated; 64% of the industrial personnel and 83% of Research and Development personnel provided their feedback following this exercise.

Identified areas for improvement include organization, communication to employees, hygiene measures and controls, and communications with health authorities.

The sites are eager to receive more information about the role of the Group's corporate centers beginning with the pre-pandemic phase, as well as additional instructions addressing plans to ensure the continuity of sanofi aventis' business activities.

TAKING A STANCE

The management of an extraordinary situation that could arise in the event of an influenza pandemic gives rise to ethical questions and issues that neither sanofi-aventis nor the pharmaceutical industry as a whole is able to address alone.

Sanofi pasteur has contributed to and supports the following positions, which are those of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA).

Allocation of pandemic vaccine
Vaccine manufacturers insist on the need for international organizations and governments to consider and discuss a system for distributing a pandemic vaccine. It is important to address this issue well before a pandemic is declared.
The vaccine manufacturers' role will be to produce as many doses as possible in the shortest amount of time; it is not their role to decide how the vaccine should be allocated. The international community has been cautioned about this problem and solutions must be explored.

Determining when to begin and end production of pandemic vaccine
Vaccine producers also emphasize the need for international authorities to determine, beginning immediately, who will instruct the influenza vaccine manufacturers to stop production of the seasonal flu vaccine in order to begin the production of a pandemic vaccine. Similarly, who will give the order to cease production of the pandemic vaccine?

Syringe and needle supplies to administer pandemic vaccine
Since pandemic vaccine will be delivered in multi-dose vials, it is the responsibility of individual governments to oversee supplies of syringes and needles.

DIDIER HOUSSIN
Interministerial Delegate for the fight against avian influenza, France

"Within the scope of preparations for an influenza pandemic, what is expected of the pharmaceutical industry?
As a major player in the health field, the pharmaceutical industry is expected to prepare itself by devising a business continuity plan which could ensure the continuous supply of essential drugs as a top level priority. Continuity plans must be supported by a prevention plan that includes information, training and measures to protect personnel, in particular those employees who would be most exposed, or who have crucial jobs, for example those in vaccine production.

What is your opinion of the response from sanofi-aventis?
It seems to me that sanofi-aventis is moving in the right direction judging, for example, by the information documents provided to employees. As a producer of vaccines, sanofi-aventis is very sensitive to this need for preparation. Generally speaking, it is easier for the major international firms to design and implement high-quality continuity and prevention plans, and organize social debate on this subject. This is more difficult for smaller firms, and sanofi-aventis must pay careful attention to the level of preparedness among the small firms it works with (cleaning, security and computer software providers, to name a few) – of course in everyone's best interest, but also for the sake of its own continuity plan.

How do you feel about systems for financing and allocating pandemic vaccine?
As each of us knows, the availability of the vaccine offering protection against the virus that may cause flu pandemic is the Achilles' heel of the pandemic preparedness programs that numerous countries around the world have begun to organize. Being able to count on an efficacious vaccine in sufficient quantities from the very start of a pandemic, is a sizeable challenge from a technical, industrial and economic perspective. In many countries, including France, public authorities have taken measures to "reserve" pandemic vaccine doses, since they are aware that the vaccine will neither be available immediately nor on a vast scale and in order to facilitate production of vaccines offering protection against the H5N1–type avian flu virus. All hopes are now focused on gradually improving the possibilities offered by developing these H5N1 Vaccines as well as advances in industrial production methods. Sanofi-aventis is fully involved in these projects."

The Group's perfor mance

For each of the key sustainable development challenges identified on pages 4 and 5, this chapter describes the policies and programs developed by the Group as well as quantifiable results.

The year 2006 witnessed significant progress in a number of sustainable development areas at the Group level.

Ethics in Research:

- formalization of the general principles concerning the use of human biospecimens;
- distribution of the 2005 Group charter on the humane care and use of laboratory animals, including improved monitoring.

Protecting the patient:

- development of a new harmonized data management system for pharmacovigilance;
- re-introduction of in-house manufacturing for one part of production;
- implementation of a network to fight counterfeit drugs;
- definition, distribution and enhancement of responsible marketing rules.

Access to medicines and vaccines:

- program improvement for access to medicines and vaccines; the first satisfaction survey submitted to our key partners.

Social responsibilities:

- creation of a Diversity Manager position, working with a network of correspondents;
- based on the French signature agreement, international expansion of Mission Handicap;
- continued harmonization of social protection schemes;
- widespread implementation of employee development reviews.

Limiting environmental impacts:

- progress observed on key indications;
- continuation of the voluntary assessment for environmental risk associated with our main products.

Impacts on local communities and economies:

- roll-out of the responsible purchasing approach;
- continuation of industrial development projects, especially in developing countries.

P22 - ETHICS IN RESEARCH

P29 - PROTECTING THE PATIENT

P38 - PROMOTING ACCESS TO HEALTHCARE, MEDICINES AND VACCINES

P46 - SOCIAL RESPONSIBILITIES

P58 - LIMITING ENVIRONMENTAL IMPACTS

P66 - IMPACT ON LOCAL COMMUNITIES AND ECONOMIES

Ethics in research

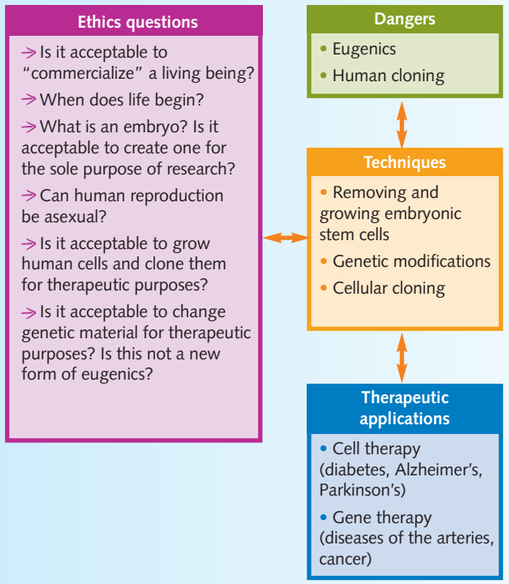
Research at sanofi-aventis focuses on seven therapeutic areas that represent major public health challenges: thrombosis, cardiovascular diseases, metabolic disorders, oncology, the central nervous system, internal medicine and vaccines.

In 2006, the Group invested 4,430 million euros in Research and Development, which represents 15.6% of sales, compared to 14.8% in 2005. This increase reflects, in particular, the growing importance of Phase III clinical trials over the course of the year in our pharmaceutical business, as well as strengthened Research and Development efforts in vaccines. With nearly 30 centers on three continents, our Research and Development teams constitute more than 18,900 people worldwide (including vaccines, industrial development, and medical and regulatory personnel within subsidiaries).

Research Analysis Laboratory
Characterization of Solid States –
X-ray diffraction in Toulouse (France).

Central Nervous System
Department Laboratory
in Vitry (France).

BIOETHICS



TECHNOLOGICAL PROGRESS

Scientific research has paved the way for major therapeutic advances and today researchers are able to work directly with living organisms, in particular human beings. Thus, it is essential to evaluate the purpose and consequences of such research. A scientific, ethical and discussion based approach must be collectively developed to ensure it responds to issues affecting humankind as a whole. Within the scope of our research, sanofi-aventis makes use of a wide range of human biospecimens: organs, tissues, cells, bio-fluids (blood, serum, urine, etc.), ribonucleic acid (RNA) and genomic deoxyribonucleic acid (DNA), in order to further develop its knowledge in a number of therapeutic areas. With respect to bioethics, the use of stem cells (human and mouse) within the Group is limited to non-human embryonic stem cells, mainly in the cardiovascular and central nervous system areas.

THE NEED FOR AN ETHICAL COMMITMENT

Sanofi-aventis has research and development centers throughout the world. Existing national and international ethics regulations are not harmonized. In order for the Group's research to be carried out properly, it therefore seemed essential in 2006 to define General Principles with regard to the ethical use of human biospecimens.

2007 Goal

Distribute the General Principles on the ethical use of human biospecimens throughout the company.

GENERAL PRINCIPLES WITH REGARD TO THE ETHICAL USE OF HUMAN BIOSPECIMENS

1. Scientific research using human biospecimens will always be carried out with respect to human rights and notably with respect to the rights of the donor, and in respect of the relevant legislation.

2. The use of human biospecimens in research is to accomplish progress in medical and biological sciences that contribute to benefit human health or quality of life, but at the same time protecting the dignity and identity of human donors. The interests and welfare of the donor whose biospecimens are to be used in research must prevail over the sole interest of Science.

3. Human biospecimens will be obtained and used by the Company in accordance with the informed consent by donor, when applicable.

4. The overall purpose regarding the projected use of the sample or sample collection including the possibility of future studies should be explained to the donor in the context of the informed consent, when applicable.

5. The obtaining of human biospecimens from donors will not, as such, give rise to financial benefit and should be considered a gift or donation, except when in accordance with national legislation.

6. The majority of human biospecimens, apart from those obtained during clinical studies, are obtained from outside contract providers or academic institutes and should be fully anonymized.

7. With regard to human biospecimens obtained by the Company from third parties, the relevant legal procedures should be respected by the third parties in obtaining and transferring the biospecimens.

8. Donors (groups or individuals) will be free to accept or refuse participation in the respective research activities. Once the participation has been agreed, they are free, at any time, to withdraw their agreement. Any person who has withdrawn consent will have the right to have the relevant material disposed in accordance with the relevant legislation.

9. The use of human embryonic stem cells which possess totipotency (i.e. the ability to reconstitute all or most of the cell lineage that constitute the human being and also have re-implantation capacity in the human uterus) is not permitted. Umbilical cord and blood stem cells and adult somatic stem cells and progenitors thereof can be used on condition that donor privacy is maintained and that informed consent or authorization has been obtained prior to use. The use of human fetal tissue must only be in compliance with the appropriate national, state and local regulations.

10. Within the framework of its research projects, sanofi-aventis is currently studying human adult and fetal somatic stem cells in order to improve our knowledge in a number of therapeutic areas, in particular the central nervous and cardiovascular systems.

PREVENTING BIOPIRACY

"Biopiracy" refers to the commercial utilization of endemic resources and local know-how without sharing the profits with the communities or countries that are the source of such resources. The Convention on Biological Diversity [1] describes principles governing such utilization, although local laws may vary to a great extent.

Each time a new natural product is investigated within sanofi-aventis, a contract is established. This contract requires detailing compliance with the convention; obtained authorizations; procedures to follow the patent situation of the compound; pre-existing knowledge and industrial property, including the conditions for the use of results; any consequential royalties and financial profits. Once the natural compounds have been extracted from the plant, they are registered, along with relevant contracts, in an internal database, which is updated each time in regards to its activity, utilization or new information about the products. Links between the biological and chemical databases make it possible to determine, for each new chemical compound created, whether an identical natural compound exists.
It is therefore possible to file a patent according to the original contract when a new biological activity is demonstrated; compound development is then carried out in compliance with the terms of the original contract, and may lead to the payment of royalties. Raw material supplied for production may be provided either by extraction from the original source, or by chemical synthesis, which is sometimes more competitive from an economic standpoint. In the case of extraction, a discussion is carried out depending on the necessary quantities and feasibility.

(1) www.biodiv.org/convention/convention.shtml

THE EDMONDS INSTITUTE REPORT

In 2006, a report published [2] by the Edmonds Institute (United States) reviewed some 40 cases of suspected biopiracy in the pharmaceutical industry. One of them concerns a drug registered by sanofi-aventis that contains a compound synthesized from a plant used in traditional African medicine in several countries.

Information from sanofi-aventis
Concerning the compound registered by sanofi-aventis and mentioned in this report, the Group has provided the following information:

GERHARD SEIBERT,
Department of Chemical Sciences

"Was the plant extracted or purchased? Is there any sort of agreement covering this plant?
A sample of the plant was collected by our partner, ProNatura, a French-Brazilian NGO.
We paid to acquire the sample, and we signed an agreement with them in which we provide for the sharing of any profits, present and future, in accordance with the Convention on Biological Diversity (CBD).
We informed ProNatura of our plans to file a patent application, and ProNatura presented the application to the government of Gabon.

Is one of the extracted compounds contained in a medicine that is marketed or marketable?
The compounds that are mentioned are simple kinase inhibitors. No compound has been subject to any development, and we have not synthesized derivatives. There is currently no active research program concerning these compounds, and the chances of obtaining a marketed compound are practically non-existent.

When natural substances are used, what measures are taken by the Group to verify their origin and traceability?
Data concerning samples of plant extracts are stored in our database, INDERNAS. If compounds are identified during any type of research activity, we can go all the way back to the source of the plant."

Comments from the Edmonds Institute
In addition, the Group interviewed a representative of the Edmonds Institute in order to better grasp stakeholders' expectations, in terms of both practices and transparency.

BETH BURROWS,
President and Director of the Edmonds Institute

"I can only speak for myself and the Institute. Of course, the more pertinent views on these matters – indeed, the only views to be considered in access and benefit sharing negotiations – are those of the people involved, particularly those whose biodiversity or traditional knowledge is the subject of interest by others. That being understood let me suggest that to avoid even the appearance of biopiracy, all companies and researchers – not only pharmaceutical companies – should make sure that they have the clear prior informed consent of any community whose biodiversity or traditional knowledge they seek. Companies covetous of other people's biota and knowledge should apply the highest standards of law and decency in their dealings. In countries without clear regulation, or where national or regional governments infringe or deny indigenous and/or community rights, companies and researchers will have to approach both local communities and national governments to negotiate access and benefit sharing and obtain prior informed consent. Where that is not possible, companies and researchers may have to forego the research or the biota of desire. Implementation of just and equitable principles of prior informed consent requires those involved to understand the local rules and contexts, train their R&D teams and academic partners accordingly, raise company decision-maker awareness, and accept the fact that occasionally access will be denied. To ensure company and researcher accountability, evidence of prior informed consent and benefit sharing agreements should be published, in each and every case. While such a procedure may seem burdensome in the short run, given potential benefit sharing costs and potentially protracted and time consuming negotiations, still the effort will be worth it. Ethical ways of proceeding always seem burdensome in the beginning and always prove worthwhile in the long run."

(2) Out of Africa, Mysteries of Access and Benefit Sharing, Edmonds Institute, in cooperation with the African Center for Biosafety, 2006.

Goals

- **Perform a more detailed analysis of how our procedures meet stakeholders' expectations (2007).**
- **Develop a specific policy (2008).**

CLINICAL TRIALS

These mandatory trials enable sanofi-aventis to assure the efficacy, safety and optimum dose of a new drug, as well as to determine any side effects or interactions associated with its use. As a result of these trials, the Group can better adapt a given treatment according to ethnical parameters and better understand the characteristics of a disease.

TIGHTLY REGULATED RESEARCH

Before beginning a new study, sanofi-aventis submits each clinical trial to the relevant local authorities to obtain authorization to perform the study, and to an independent ethics committee for approval.

Such trials very closely follow ethical rules, those contained in the Declaration of Helsinki and governed by the directives of the International Conference on Harmonization (ICH), specifically Good Clinical Practice (GCP). In addition to these rules, sanofi-aventis applies all national and international rules and laws including:
- European Directive 2001/20/EC;
- regulations issued by the FDA CFR 21;
- regulations issued by the Japanese Ministry for Health, Labor and Welfare.

The Group pays particular attention to various features having an ethical impact on conducting clinical trials: governance (Sarbanes-Oxley in the United States), FDA regulations concerning investigators and the protection of personal data (Group Personal Data Protection Charter).

RESEARCH THAT RESPECTS THE INDIVIDUAL

The Group places special emphasis on the principle of free and informed consent. All clinical trial subjects, whether healthy or ill are fully informed about all aspects of the trial (purpose, risks/benefits, duration, etc.). It is the duty of the physician or medical professional to ensure that the subject has completely understood all the information and that he or she is not subject to outside pressure to participate in the trial.
The subject then signs a free and informed consent form stating his or her willingness and freedom of choice to participate in the trial. The form is submitted to the ethics committee for approval. The enrolled participant and the ethics committee must be informed of any new information that arises during the trial.

CLOSELY SUPERVISED TRIALS

In addition to strict compliance with laws, regulations and directives, sanofi-aventis has set up independent expert committees, called Data Monitoring Committees (DMC), to monitor certain clinical trials.

The main task of the DMC is to ensure the safety of subjects participating, more specifically in trials:
- during Phase III;
- concerning severe diseases and conditions;
- concerning diseases and conditions involving morbidity/mortality;
- involving populations at risk.

The committee's high qualification level is guaranteed by the presence of at least one clinical expert in the trial subject area and by an experienced chairperson, who must have participated in at least one DMC study of similar complexity. Each DMC may be responsible for one or more clinical trials.

Moreover, the Group ensures that DMC members do not have a conflict of interest at the financial, regulatory or scientific level.
Trials involving populations at risk, such as children or patients unable to exercise their own free will, as well as trials in developing countries, must be specifically justified.

Clinical trials conducted by the Group adhere to the highest international ethical and methodological standards.

CLINICAL TRIALS IN DEVELOPING COUNTRIES

These trials are subject to the same ethical standards as any other clinical trial conducted by sanofi-aventis. The Group strictly adheres to Good Clinical Practices and carries out trials in countries with ethics committees.
When a clinical trial takes place in a developing country, the structure set up for the trial must ideally continue to be useful and function after the trial is over to encourage the development of medical services that will continue to serve the community in the long term.
It is essential to ensure that after the trial the participants will be able to benefit from the results and its many lasting positive effects:
- access to scientific networks for local doctors involved in the trial;
- education of parents and family, especially concerning hygiene;
- sustainability of infrastructures and facilities set up for the trial, which are designed insofar as possible according to each country's potential to use them after the trial ends.

SANOFI-AVENTIS COMMITMENTS TO ETHICALLY PERFORM CLINICAL TRIALS

CONCERN	SANOFI-AVENTIS COMMITMENTS	REFERENCE TEXT	QUANTIFIABLE RESULTS
TRIAL ETHICS AND PATIENT SAFETY	• Data Monitoring Committee (DMC); • Ethics committees; • Free and informed consent.	• ICH (GCP); • European, American and Japanese directives; • All local and international regulations; • Internal DMC charter.	• There are nearly 70 DMC.
INTERNATIONAL DIMENSION	• Clinical trials are conducted worldwide by sanofi-aventis in order to: – study global and local diseases; – meet the expectations of local scientists; – gain access to cutting-edge research; – fulfill the requirements to obtain marketing authorization in certain countries. • Set up Clinical Research Units to provide the best patient monitoring throughout the world.	• Universal Declaration of Human Rights; • ICH; • Respect for local laws.	• Breakdown of participating patients by region (January-September 2006): o United States 38% o Europe 35% o Intercontinental 27% • Clinical Research Units are located in 28 countries; 26 countries without a CRU are managed by neighboring CRU (this does not apply to vaccines). • In 2006, several hundred clinical trials were conducted in 60 countries and more than 7,000 centers. • No trial (except for vaccines) was conducted in one of the least developed countries as defined by the UN.
TRANSPARENCY OF INFORMATION	• Sanofi-aventis commits to disseminate all information concerning ongoing clinical trial protocols on the NIH site. See www.clinicaltrials.gov. All new trials are posted 21 days maximum after enrollment of the first subject. • Since January 6, 2005, trial results, with the exception of so-called exploratory studies, are published on the web site www.clinicalstudyresults.org. Sanofi-aventis also commits to publish results whether or not trial findings are positive. For commercialized products, the results are published the year following completion or discontinuation of the trial.	• Joint Position on Disclosure of Information on Clinical Data.	• All clinical trials conducted by sanofi-aventis in the confirmation phase are available on the NIH web site (more than 300 protocols by late October 2006).
QUALITY	• Clinical trials as well as the systems and processes in which they are involved are audited by the Quality and Compliance Department, which is independent from the Clinical and Preclinical Development Department. A very strict policy concerning respect and/or compliance with GCP is applied to immediately notify the relevant managers, regulatory authorities as well as ethics committees, in the event of noncompliance with the principles.		• 55 audits were performed in 2006 by national authorities with respect to GCP.

PEDIATRIC DRUGS

Various regulations were put into effect worldwide to support research in this area and to encourage pediatric trials:

- The Best Pharmaceuticals for Children Act (United States);
- The European regulation on medicinal products for pediatric use, EC 1902/2006 (Europe), which went into effect on 26 January 2006;
- ICH E11 (United States, Europe, Japan).

In 2006, sanofi-aventis set up an international pediatric clinical development network for the purpose of meeting the increasing demand for safe and effective medicines for children.
To offer the best quality healthcare for children, sanofi-aventis takes a number of child-specific factors into consideration when conducting its trials, such as age, psychological and psychosocial situation, and safety.

The informed consent of parents or legal guardians is required for all trials involving children; this may sometimes include a relevant authority within the concerned community.
Sanofi-aventis makes its expertise readily available for the development of pediatric drugs in order to meet the highest ethical standards and regulatory compliance.

2007 Goals

Identification and implementation of measurable indicators:

- **the DMC's independence with regard to sanofi-aventis;**
- **the proportion of clinical trial subjects living in developing countries.**

USE OF LABORATORY ANIMALS

Given the very nature of the pharmaceutical business, sanofi-aventis is obliged to conduct animal experiments for legal, scientific and ethical reasons. In addition to widely used experimental *in vitro*, *in vivo* studies aim to collect as much information as possible about the therapeutic or toxic effects of a new drug on a higher species. In addition, sanofi pasteur carries out toxicology studies within the R&D framework using animals to ensure efficacy and quality of its vaccines before they are brought to market, in compliance with specific regulations. Sanofi pasteur carries also out animal studies to assure the efficacy and quality of its vaccines before market release in compliance with specific vaccine regulations.

STRICT REGULATIONS

Animal experiments are subject to strict regulations to which sanofi-aventis complies both nationally and internationally:
- European Convention for animal protection used for experimental and other scientific purposes (1986/609/CE);
- Rules developed by:
– Institute for Laboratory Animal Research (ILAR);
– Universities Federation for Animal Welfare (UFAW);
– The American College of Laboratory Animal Medicine (ACLAM).

In 2006, sanofi-aventis continued its efforts to respect and protect laboratory animals by issuing "The sanofi-aventis charter on the humane care and use of laboratory animals", drafted in 2005.

A TOTAL COMMITMENT TO THE 3R'S PRINCIPLE (REDUCTION, REPLACEMENT, AND REFINEMENT)

Sanofi-aventis is convinced of the need to adhere to the highest standards of animal care and is committed to the strict application of the 3R'S principle:
- Reduction consists of obtaining the same information while decreasing the number of animals used;
- Replacement aims at using lower order species and alternative methods;
- Refinement addresses animal welfare and, in particular, minimizing pain.

SANOFI-AVENTIS COMMITMENTS TO THE 3R'S PRINCIPLE

REDUCTION

- Optimize research strategies in order to eliminate unnecessary experiments and ensure that approaches are scientifically sound.
- Obtain as much information as possible from each experiment.
- Choose appropriate animals: 95% of the animals used by the Group are small rodents.
- Each experiment is reviewed by an internal ethics committee.
- Use computer data collection and processing; reviewed by biostatisticians.

REPLACEMENT

- Utilization of alternative methods.
- Use *in vitro* systems: tissue cell cultures, high throughput screening (HTS), *in vitro* dosing.
- Replacement of animals with lower order species.

REFINEMENT

Each experimental protocol is submitted for approval by an ethics committee that takes into account the pain the animal may experience. Sanofi-aventis places particular attention on ensuring that pain is perfectly defined and monitored for each case.
The ethics committee is also in charge of defining and assessing the study's endpoint so that it is as humane and acceptable as possible. In addition, all animals are under the constant surveillance of a veterinarian.
Other commitments to ensure the optimal well-being of animals include:
- utilization of non-invasive methods: in 2006, sanofi-aventis inaugurated a new building for animal imaging.
- personnel training:
– each employee working on animals has been trained in animal experimentation and receives continuous training. 30% of employees attended a retraining session in 2006, and another 30% will attend one in 2007;
– in-house work shop on the "Culture of Care" for sanofi-aventis employees about the use of animals in research;
– ongoing surveillance to identify new techniques making it possible to improve the company's commitment to the 3R'S.
- the animal's environment:
– cage adapted to each animal, high quality litter is used;
– respect for the physiological and social needs of animals, with measures being taken to enrich their environment. For example, sanofi-aventis provides opportunities for rats and primates to socialize; physical exercise for dogs, etc.
- transportation:
– A great deal of attention is placed in overseeing the conditions for animal transportation between sites as well as between suppliers and sanofi-aventis, whether by road or air. This topic was addressed during a lively debate in 2006, and measures will be put in place during 2007.

SANOFI-AVENTIS CHARTER ON THE HUMANE CARE AND USE OF LABORATORY ANIMALS

Sanofi-aventis has a moral and legal obligation to employ all methods of experimentation, including experiments involving laboratory animals for Research and Development, in order to guarantee the efficacy, safety and quality of drugs and vaccines designed for human use.
Sanofi-aventis is in favor of using all available alternative methods, and it encourages any initiatives that aim to replace, reduce or refine the use of laboratory animals.
Respecting and protecting animals, as well as showing sensitivity, are an integral part of the company's values. They form the basis for the following charter, whose principles are applicable to the entire sanofi-aventis.

1. The most demanding regulatory requirements and accreditation guidelines must be applied.

2. All studies must be submitted and receive prior approval from one of our ethics committees in charge of animal experimentation, created to monitor all aspects of animal welfare and use.

3. Within this framework, any project involving an animal must not be authorized unless it contributes to the improvement of human health or the quality of a drug.

4. Studies will be authorized only when alternative methods do not exist or when alternatives are not yet recognized by regulatory authorities.

5. Animals must come from officially authorized suppliers, which are inspected on a regular basis and approved by sanofi-aventis. After justifying the need for animals, only the most relevant species are used. The lowest possible number of animals must be used to meet the established scientific and/or regulatory objective.

6. The care that animals receive is of the utmost importance. The highest standards of care, procedures and housing must be put in place and must comply with internationally accepted guidelines, under the responsibility of specialists of veterinary medicine and animal welfare.

7. All personnel working with the animals must be qualified and receive specific continuous training, as well as re-qualification.

8. All measures must be taken to avoid pain or distress. Anesthetics and analgesics are used whenever necessary and feasible. Humane endpoints are defined and applied. Only internationally recommended methods of euthanasia will be used.

9. Sanofi-aventis has made a commitment to ensure that its partners and sub-contractors apply the principles contained in this charter.

All sanofi-aventis personnel are responsible for taking an active part in the implementation of these principles. Any comments, proposals and suggestions that may improve the protection of laboratory animals must imperatively be submitted to management or the ethics committee in charge of animal experimentation.

CLOSELY MONITORED RESEARCH

Numerous controls and audits are conducted by internal departments and national authorities in order to ensure that all the above mentioned points are effectively implemented.

In 2006:
- all affected sites were inspected on a regular basis by national authorities;
- 100% of suppliers were audited by an internal team in the areas of hygiene, housing, consideration for the animal's traits, feeding, infrastructure, veterinary surveillance, personnel, procedures for protocol approval, and legal compliance;
- 100% of protocols were reviewed by an ethics committee prior to use.

In an effort to comply with the highest quality standards, sanofi-aventis uses the services of an international independent accreditation agency: the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC), or the Canadian Council on Animal Care. Within the scope of this voluntary approach, nine of our sites have been accredited to date.

2012 Goal

AAALAC accreditation for 100% of affected sites.

Protecting the patient

A number of factors come together for the safe, effective use of medicines. Protecting patients involves developing state-of-the-art technical procedures and taking measures to combat counterfeit drugs to prevent risks in connection with our products; it also involves safeguarding supplies to guarantee our products will be available, ensuring that marketing activity is responsible to encourage the proper use of products, and providing support for screening initiatives and patient associations.

PRODUCT QUALITY

The Group's Quality and Compliance Departments are organized in such a way as to ensure:
- adherence to the principles and the application of quality procedures at each phase of research and development, especially during clinical trials;
- quality throughout the industrial development, manufacturing and distribution processes;
- quality of the products we sell at the local level, *via* the sales teams at our subsidiaries.

In addition to the Group's internal system for quality management and audits, the quality level at sanofi-aventis is monitored on a regular basis during inspections conducted by national and international health authorities. The primary agencies are:
- the French Agency for Sanitary Safety of Health Products (AFSSAPS);
- the European Agency for the Evaluation of Medicinal Products (EMEA);
- the U.S. Food and Drug Administration (FDA);
- the German agency, Federal Institute for Drugs and Medical Devices (BfArM);
- the British Medicine and Healthcare Product Regulatory Agency (MHRA);
- the Japanese Pharmaceuticals and Medical Devices Agency (PMDA).

THE QUALITY OF RESEARCH AND DEVELOPMENT

For research and development activities, national and international health authority agencies monitor development activities to ensure they are compliant with regulatory requirements of Good Practices in effect:
- at our development sites;
- at our clinical research unit subsidiaries;
- for our sub-contractors (Contract Research Organizations, or CROs) and centers of clinical investigations.

	PRECLINICAL		CLINICAL
ACTIVITY			
	Chemical and Pharmaceutical (CMC)	Non-Clinical Safety Studies	Clinical and Pharmacovigilance
GOOD PRACTICES			
	Good Manufacturing Practices	Good Laboratory Practices	Good Clinical Practices
PRACTICES MONITORED			
	• Chemical synthesis • Analytical science • Pharmaceutical science • Products for clinical trials • Investigational medicinal products	• Toxicology • Safety pharmacology • Metabolism and pharmacokinetics • Analytical science • Laboratory animal science and ethics	• Clinical development • Pharmacovigilance (pre- and post- marketing)
INSPECTIONS BY AUTHORITIES IN 2006			
	Total of 6 • 2 by the AFSSAPS in France • 3 by the BfArM (1 in Germany, 2 in the United States) • 1 by the FDA, in Germany	**Total of 3** • 2 by the AFSSAPS in France • 1 by the PMDA in Japan	**Total of 55** (see breakdown page 30)

CHOOSING AN INDUSTRIAL QUALITY POLICY

For industrial activities, the agencies monitor our activities for compliance with Good Manufacturing Practices:
- at our manufacturing and distribution sites;
- at our sub-contractors' facilities.

Sanofi-aventis chose to implement an industrial quality policy with the objective to do more, better and faster. With this approach in mind, the Quality and Compliance Department drew up directives and handbooks that define the basic principles of quality management, covering all the chapters on Good Manufacturing and Distribution Practices. These procedures apply to all employees at each industrial site. They allow the Group to make the appropriate decisions as rapidly as possible.

PRODUCT SAFETY

MONITORING AND RISK MANAGEMENT

The purpose of pharmacovigilance is to evaluate and monitor risks related to the utilization of products for human use, to put forward measures to reduce such risks, and to promote the proper and safe use of medicines.

The Pharmacovigilance Department is in charge of monitoring all pharmaceutical products, from the first time a compound is administered to human subjects (Phase I clinical trials) to the end of the product's life cycle. Sanofi pasteur has its own pharmacovigilance system.

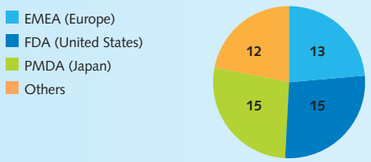
A GLOBAL AND LOCAL ORGANIZATION

To ensure safe use of products under development and those that are marketed, sanofi-aventis has instituted:
- centralized pharmacovigilance divisions (one for vaccines and one for all other products), each of which collects all information reported worldwide, whether during clinical trials or through unsolicited notification;
- local pharmacovigilance divisions in each of our subsidiaries that collect, record, analyze and communicate information reported by patients, clinical trial investigators and healthcare professionals. In addition, these pharmacovigilance groups interface with local health authorities and various departments within the subsidiary.

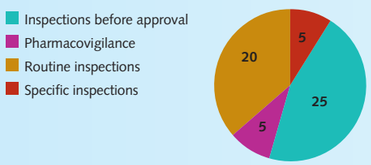
They are divided into two categories; the first corresponds to countries in which pharmaceutical firms must meet regulatory pharmacovigilance obligations (concerning adverse events reporting), while the second category includes countries that have no regulatory pharmacovigilance obligations.

BREAKDOWN OF INSPECTIONS IN THE CLINICAL AREA IN 2006 (Clinical Studies and Pharmacovigilance)

By agency



By type of inspection



Data provided: number of inspections performed.

ADVERSE EVENTS REPORTING

Source
- Patients
- Regulatory authorities
- Partners
- Data collection system
- Internet sites sponsored by sanofi-aventis
- Scientific and medical literature
- Healthcare professionals

Adverse events

Sanofi-aventis

Immediate declarations reports

Communication to
- In-house correspondents
- Local health authorities
- Marketing partners
- Development partners
- Regulatory agencies
- EMEA

Distribution site at Croissy-Beaubourg (France).

	NUMBER OF EMPLOYEES	SITES
Local	437	82 sites in charge of 167 countries: • 47 sites with stringent local regulations (category 1); • 35 sites with no particular local regulations (category 2).
Centralized	373	3 sites: • Chilly-Mazarin (France); • Bridgewater (United States); • Tokyo (Japan).

– 45 of the 47 category 1 sites have received regulatory visits in the last 18 months;
– 70 sites routinely and automatically send monthly activity reports to the centralized functions.
In addition to inspections conducted by government authorities and various international organizations, the structure and processes set up by the Pharmacovigilance Department are audited on a regular basis by the Quality and Compliance Department.
Thanks to its network, early warning system and rigorous standards, the Pharmacovigilance Department is able to fulfill its mission ensuring the best possible management of risks associated with the use of medicines.

2008 Goals

Sanofi-aventis is currently working to develop a new computerized pharmacovigilance system in order to:
- **improve its pharmacovigilance data management process;**
- **encourage data sharing among the subsidiaries, central functions and partners;**
- **improve the quality and speed with which information circulates.**

ENSURING SUPPLIES

CONTROL OF THE PRODUCTION CHAIN

Industrial Affairs is in charge of the development, production and distribution of quality medicines under optimum safety conditions and at competitive prices for all our markets. To fulfill this mission, it has implemented a policy based on a fully-integrated industrial mechanism from active ingredient manufacture through distribution. This integrated approach makes it possible to:
- oversee and guarantee that Good Practices are adhered to in all areas;
- reduce the number of parties involved and thus the number of interfaces, during the entire industrial process;
- optimize the management of resources and skills, both in the short, medium and long term.

One of the clear outcomes of this policy is to re-introduce in-house manufacturing of products that had previously been outsourced. Additionally, it preserves jobs within Industrial Affairs thereby retaining employee expertise.
A re-introduction program was launched in 2004 and will continue in the coming years. By 2008, approximately 25% of production that was outsourced in 2005 will be restored within the Company.

Implementing this program is part of an approach based on discussion and negotiation with sub-contractors:
- outsourcing contracts are always carefully respected;
- generally speaking and for various reasons, this operation of re-internalization concerns only one part of the business entrusted to the subcontractor, although very occasionally it may concern all its business.

The portion of production that the sub-contractor retains is the focus of commercial re-negotiations taking into account variations in volume, while maintaining the same demanding standards in terms of product quality and compliance in accordance with our Good Practices (Quality, Safety, Environment and Human Rights).

The timeframe to complete re-introduction is lengthy, primarily due to pharmaceutical regulations. Therefore, most of the re-introduction initiatives scheduled for completion by 2008 were announced to sub-contractors in 2005, in order to give them time to adapt and react.

2008 Goal

Re-introduce 25% of production that was outsourced in 2005.

THE SAFEGUARDING OF ESSENTIAL MEDICINES

Sanofi-aventis produces certain medicines for which an interruption in treatment would cause patients to be at risk. These are medicines essential for public health, without therapeutic alternatives or for which no equivalent can be produced outside the Group, in sufficient quantities at the required quality level. Sanofi-aventis has put in place a production and supply policy intended to reduce the risk of a supply shortage for these medicines to the market.

Several initiatives converge to support this supply continuum. These include adapting inventory levels, a measure that works well with low volume products. For larger volumes, we follow the principles of multi-sourcing and back-up, both essential components of the Group's industrial strategy. Multi-sourcing involves spreading production of a single product across several sites, while back-up consists of ensuring that several sites would be able to quickly start up production of the product if necessary.

This strategy enables us to:
- rapidly address an unexpected supply issue arising at one of our sites, regardless of the cause, thereby ensuring the uninterrupted availability of medicines for patients;
- adapt more easily to variations in a site's activity, thus limiting the consequences, especially for employment, by adjusting the way production is divided up among the sites;
- safeguard our business.

At the end of 2006, within pharmaceutical production, multi-sourcing initiatives applied to 9 of our 15 leading products for drug manufacturing, and 11 for packaging.

2007 Goal

Establish a formal and detailed list of public health medicines for each country/region in which the Group distributes products as well as a list of medicines for which substitutes are difficult to find. This requires a systematic review of all the medicines we distribute by form, dosage and country. This initiative will make it possible to classify our medicines in terms of exposure and vulnerability to the risk of an inventory shortage, and to take complementary preventive measures.

THE FIGHT AGAINST COUNTERFEIT DRUGS

According to WHO, counterfeit pharmaceuticals are those that are deliberately and fraudulently mislabeled with respect to their identity or source. This may concern a product that:
- actually contains the listed active ingredient (patent infringement);
- contains a different active ingredient than the one listed;
- contains no active ingredient at all (glucose, talc);
- contains insufficient quantities of the active ingredient;
- is presented in counterfeit packaging (infringement of registered trademarks).

THE PROBLEM'S SCOPE

The figures most commonly cited by international organizations indicate that counterfeiting concerns, on average, 10% of the global pharmaceutical market, although the figure may reach up to 70% in certain African or Eastern European countries. According to WHO, counterfeit medicines may be responsible for millions of deaths worldwide.
Counterfeit pharmaceuticals give rise to multiple risks because they:
- endanger patients' health;
- infringe on intellectual property rights;
- cause direct loss or impair research;
- feed a parallel and freeloading economy, which counters the rules of sustainable development (endangering safety, hygiene, environment, ethics, human rights, etc.).

THE GROUP'S RESPONSE IS BASED ON FOUR APPROACHES

Internal management
- creation of an anti-counterfeit committee in 2005;
- network of correspondents in over 70 countries;
- implementation of market surveillance.

Enhancing packaging security
- develop and combine visible technologies (such as holograms) and invisible technologies (such as chemical markers or micro-texts on printed parts of packaging).

Joint initiatives with the pharmaceutical industry
- sanofi-aventis' representation and participation in national and international associations: the French Pharmaceutical Companies Association (LEEM), European Federation of Pharmaceutical Industries and Association (EFPIA), etc.;
- discussion and cooperation with other laboratories in professional organizations (Pharmaceutical Safety Institute).

Investigations and legal action
- investigations into international networks, in particular on the Internet, prior to filing lawsuits for damages which prompt international police investigations;
- legal action leading to law enforcement operations in the field:
  – product seizures at the Convention on Pharmaceutical Ingredients (CPhI) and imprisonment;
  – closure of a factory in China and seizure of tablets;
- create synergies with public authorities (police, judiciary), and submit reports to customs officials.

To ensure that all counterfeit cases of sanofi-aventis products are detected and managed efficiently, the Company has developed a handbook entitled "Handling of Suspected Counterfeit Products". This guide provides a concrete description of the measures taken when a product is detected or suspected of being counterfeit:
- the Quality manager at the subsidiary involved must draft a report for the anti-counterfeit committee and send samples of the suspected product to the anti-counterfeit committee secretary;
- the anti-counterfeit committee secretary forwards the suspected product samples for an internal investigation of traceability and analysis (examination of packaging, physico-chemical analyses);
- the involved production sites and distribution centers send their own investigation report to the anti-counterfeit committee and to expert teams for results evaluation;
- if the product is confirmed to be counterfeit, the committee informs all involved departments and initiates three types of action:
  – public health actions;
  – investigative actions;
  – legal actions.

RESPONSIBLE MARKETING

HOW SANOFI-AVENTIS COMMUNICATES INFORMATION ABOUT ITS PRODUCTS

Physicians
- medical sales visits and distribution of free samples in compliance with local regulations;
- congresses/seminars.

Patients
- participation in public health, health education and disease awareness campaigns;
- support for patient organizations;
- advertising (for products without mandatory prescriptions, and for prescription medicines when allowed by law);
- implementation of support programs to improve compliance among patients being treated with one of our products (according to local regulations).

Pharmacists
- promotional materials;
- sales visits to pharmacists.

Health authorities
- registration dossiers;
- price and reimbursement dossiers;
- pharmacovigilance;
- providing promotional documents that are used by the Group.

(1) Consumers International (CI) is a federation of consumer organizations located in 115 countries.

ISSUES AND EXPECTATIONS

Regardless of the types of promotional materials that are used, it is imperative to provide all the information required to ensure the proper use of a drug and an informed decision by the prescribing physician, so that he or she may evaluate the risk/benefit ratio of a product based on complete product information. Similarly, the patient must receive all useful information to ensure the proper use of a non-prescription drug.
For these reasons, drug promotion must be transparent and follow clear guidelines, specifically with regard to:
- presentations and arguments used by medical sales representatives;
- organization of congresses and seminars;
- promotional material content.

Pharmaceutical product promotion is governed by national regulations, and by codes developed collectively by pharmaceutical companies. The industry's marketing practices are nonetheless the focus of increasing expectations from stakeholders, in particular consumer advocacy groups. Consumers International (1) published a report in June 2006 called "Branding the Cure". The report focuses on 20 pharmaceutical companies within Europe, calling upon them to participate in a joint initiative with consumers' associations, government, and the European Union, aiming to:
- develop guidelines and common indicators for reporting on the responsible promotion of pharmaceuticals;
- ensure respect for the industry's codes of ethics, standards and regulations;
- strengthen existing codes concerning the utilization of the Internet, patient organizations and disease awareness campaigns;
- suggest alternatives to self-regulation alone;
- put an end to veiled relationships between researchers and pharmaceutical companies.

In the report's evaluation of sanofi-aventis, it points out the need to publish responsible marketing policies, specifically in the areas of sales promotion and gifts to health professionals, which are not explicitly covered in the Group's Code of Ethics. Since the study appeared, the Group has further formalized its policy. It also decided to communicate about responsible marketing, in this sustainable development report.
In 2006, all the sanofi-aventis subsidiaries were surveyed on the topics within the Code of Ethics to determine which they perceived as the most sensitive. "Good promotional practices", mentioned by two-thirds of the subsidiaries in their responses, was at the top of the list. This perception is widely shared by most of the subsidiaries, regardless of geographical zone (in developing and industrialized countries).

In response, the Group clearly mentions in the "good commercial practices" section of its Code of Ethics that unfair commercial practices are not compatible with the values and image of sanofi-aventis and may lead to serious civil or criminal consequences.

2007 GOALS

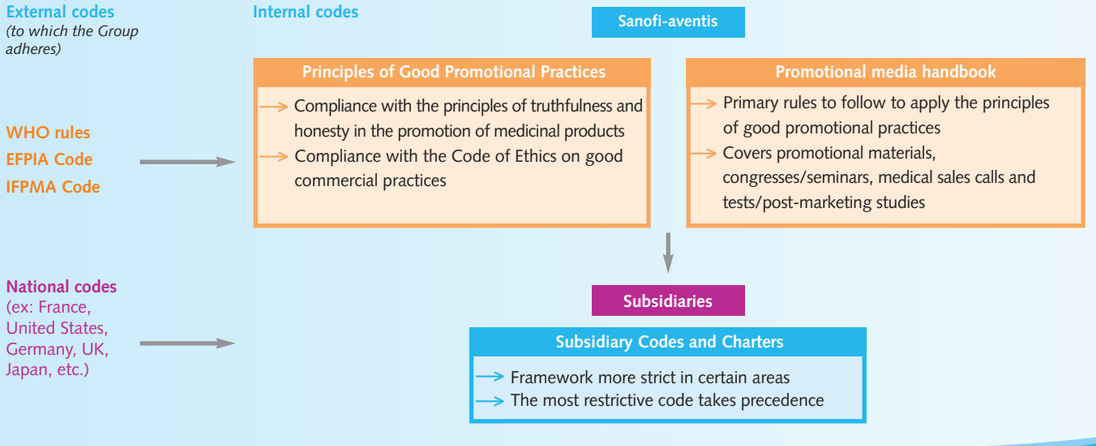
- **Develop presentations for subsidiary "compliance" managers about topics that the various subsidiaries identified as most sensitive.**
- **Launch in-house communication campaigns about the warning system regarding compliance with the Code of Ethics.**

Medical sales visits in France and Japan.

THE GROUP'S PROMOTIONAL PRACTICES

The Group adheres to the codes of the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and the European Federation of Pharmaceutical Industries and Associations (EFPIA), and it makes explicit reference to them in its internal codes.

Additionally, we have a Code of Ethics for the Responsible Marketing of Prescription Drugs that applies to the entire Group; the major principles for responsible communications were developed in June 2005 and distributed to all subsidiaries. These requirements encompass promotional materials, congresses and seminars, medical sales calls and post-marketing studies. The subsidiaries must first adhere to the Group's Code and international recommendations and secondly, to national codes. These codes may be more restrictive with respect to certain issues, in particular congresses and other medical information meetings.



The Group combines several means to effectively implement the Code internally: training teams (especially medical sales representatives), defining rules of conduct for international congresses, and monitoring promotional materials that are used. Employees can report any shortcomings concerning the Code of Ethics.

INITIATIVES BY SANOFI-AVENTIS FRANCE

Charter of Ethics for pharmaceutical sales visits

This charter, adopted in 2004 by the French Pharmaceutical Companies Association (LEEM) and the Economics Committee for Health Products (CEPS), describes the mission and ethical conduct requirements for medical sales calls. The numerous measures taken by the Group to implement the Charter include strengthening training for medical sales representatives, improving the quality and promotional material revisions (validation process, exhaustive list of materials that may be given to healthcare professionals), as well as developing the quality of the sales representative's presentation and approach.

In order to measure the impact of these initiatives, the Group created:

- a toll-free number appearing on all promotional documents so physicians can give their opinion about the quality of practices and information delivered during medical sales calls;
- an image "barometer" made up of four questions about the content of the medical sales call.

In addition, sanofi-aventis is among the first French pharmaceutical firms to have its medical sales calls certified. This was accomplished by our voluntary participation with four other firms in a pilot program to assess guidelines for the certification of medical sales calls.

Continuing Medical Education (CME) for doctors

To ensure that there are clearly-defined boundaries between CME and information about pharmaceutical products, pharmaceutical companies elected to work alongside relevant authorities and associations to draft a code of good conduct regulating relationships between the pharmaceutical industry and organizations that have been approved to organize CME activities leading to certification which focus primarily on:

- the scientific quality of CME activities;
- transparency when it comes to financing;
- evaluation of the training program by participants.

The approach taken by sanofi-aventis applies both internally and externally with our outside partners. Information about the content of this new code of good conduct has been incorporated into the materials used to train medical sales representatives, and a handbook has been written to help them distinguish between promotional and CME initiatives.

Contracts centrally drawn up between sanofi-aventis and institutional CME players guarantee transparency of these practices and the autonomy of approved organizations in terms of developing programs and fund allocation. New resources for Internet-based CME have been developed ("net CME" and podcasts), which take into account the time constraints caused by medical demographics and the isolated locations of some physicians' practices.

Ethical standards for promotion and discussion during pharmaceutical sales visits

The ethical nature of the approach used during pharmaceutical sales visits is a key challenge.

As an example of meeting this challenge the Group provides training sessions on the Code of Ethics (once a year in the United States). New employees attend the training session in the United States within four to six weeks of joining the Group. Certain employees, in the sales force or in marketing, receive additional training (i.e. one hour of individual training for the sales force). The Group focuses on ensuring that medical sales presentations will be fair, qualified and comprehensive. This is accomplished by providing training on a regular basis for medical sales representatives with respect to products, diseases, marketing tools and pharmacovigilance. Mandatory pharmacovigilance training for new medical sales representatives is required by the Code. Increasingly subsidiaries are regularly testing the knowledge level of their medical sales representatives.

Framework governing congresses and physicians' meetings

In 2006, the Group drew up specific rules of good conduct for international congresses based on the results of a survey sent to 61 Group subsidiaries. They provide a clearly defined framework for meeting venues, quizzes, gifts, and hospitality for physicians (restaurants, hotels). The rules specify prohibited activities (organizing leisure activities at side events during medical meetings), those that are authorized (giving away congress tote bags with the product or company logo) and those that cannot be overlooked (gifts must be objects related to the practice of medicine).

2007 Goal

Complete distribution of these rules to each Group subsidiary and to the responsible individuals for implementation.

Promotional materials

For each product, the Group defines communication rules (product presentation, sales pitch, etc.) in line with the Group's Code. These rules and product information are posted on the Intranet for use by the subsidiary's medical directors. There is also a network for medical directors to ensure they will find answers to all their questions about medical product communications.

At headquarters, Medical Affairs ensures that the Group's ethics principles and requirements are duly applied through internal audits:

- all promotional materials for sanofi-aventis' strategic products (the top 15), representing 61% of sales produced by Global and Regional Marketing, are audited prior to distribution. Subsidiaries that wish to carry out their own promotional campaign for major local products routinely send all their materials to headquarters for validation prior to publication or distribution. In 2006, more than 1,300 documents were audited;
- all subsidiary promotional materials are examined following publication (*a posteriori*): 5,000 items were audited in 2006 out of the 15,000 sent by the subsidiaries, which corresponds to roughly 80% of all materials produced. The selection is made partially at random and partially according to a specific risk in connection with the country or the product. For minor violations, a letter is sent summarizing the errors (35 in 2006). Cases of gross negligence lead to withdrawal of the material (1 to 2 withdrawals per year), and may result in the audit of the subsidiaries involved.

In addition, during quality audits the Group conducts assessments directly at the subsidiary to ensure it follows procedures for promo-

tional material approval and complies with the sanofi-aventis promotional codes, as well as with the country's regulations concerning materials that may be used (visual aids, brochures, the subsidiary's Internet sites, gifts, etc.). The audit results are contained in a report submitted to the subsidiary involved. If necessary, the report recommends proactive measures to be instituted in order to restore compliance. The subsidiaries are selected for audits based on their sales, local regulations and feedback from Medical and Regulatory Affairs, specifically in regards to their compliance with the Group's principles of good promotional practices.

Warning system

Sanofi-aventis has set up an internal warning system so that employees may report any inconsistencies between practices in the field and the Group's Code of Ethics. Employees may also contact the Human Resources Department directly. The compliance manager at the concerned subsidiary checks to determine whether allegations are well-founded, and then communicates this information to the Group compliance manager. Confirmed violations give rise to disciplinary measures.
In the United States, more than 600 calls were received, of which 75% were requests for information.
All reports including those mentioned are routinely investigated in accordance with procedures and, when justified, disciplinary measures were taken.

RELATIONSHIPS WITH PATIENT ORGANIZATIONS AND HEALTHCARE PROFESSIONALS

In order to complement its initiatives to monitor the promotion of medicines, the Group organizes public screening and disease awareness campaigns in partnership with dedicated national/international associations (i.e., scientific societies), and supports patient organizations to improve patient care:
- disease awareness campaigns for the general public or patients;
- dialogue and initiatives with stakeholders (patient associations, healthcare professionals, local authorities);
- patient support through national and international patient organizations;
- support programs designed to improve compliance among patients being treated with one of our products.

The Group supports patient organizations through partnerships, sharing know-how and financial support for nearly all its therapeutic areas of expertise (cardiovascular diseases, thrombosis, metabolic disorders, oncology, disorders of the central nervous system, internal medicine).
The role of patient organizations is to help patients by:
- informing them about diseases and raising awareness about screening and prevention;
- facilitating exchange among patients;
- supporting patients and their families;
- offering psychological support for patients;
- making local authorities aware of the need to provide access for the most appropriate treatment for the patient.

Promotional material audits in 2006
(in % of sales)

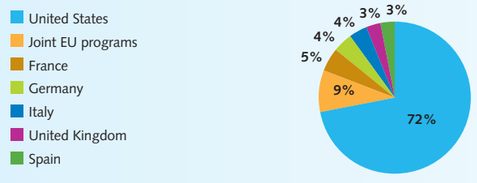
Local document audits

*Rounded figures.

Location of subsidiaries that received a letter
(in number of subsidiaries)

BREAKDOWN OF SPENDING ON PATIENT ORGANIZATIONS IN ONCOLOGY (%*, 2006)

Geographical breakdown



Breakdown by type of cancer

*Data limited to the United States and Europe.

The Group works with national patient organizations in over 40 countries and has partnerships with international associations operating in 160 countries. Favoring long-term partnerships, these initiatives strengthen relationships with these organizations and enables sanofi-aventis to better understand the patients' needs and expectations. However, the Group's initiatives must not influence these associations' policies or serve as a means to promote our medicines.

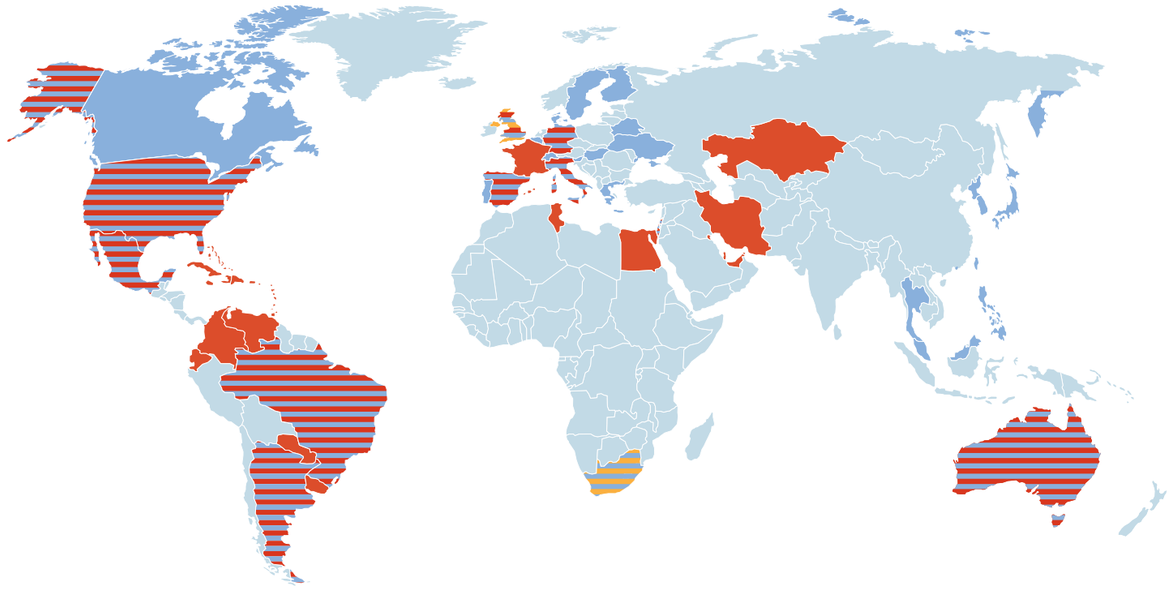
PROGRAMS SUPPORTED BY SANOFI-AVENTIS IN THE FIELDS OF ONCOLOGY AND DIABETES

Sanofi-aventis provides information to the public about cancer, covering many areas: awareness, screening, education, psychological support and assistance for patients, their families and friends. In the United States and Europe, the Group has developed partnerships with patient organizations that cover most types of cancer. Sanofi-aventis also supports organizations with diabetes programs on all the continents.

2007-2008 Goals

- Establish an inventory of sanofi-aventis'engagements with patient organizations worldwide.
- For all subsidiaries, create a toll-free number for healthcare professionals and patients, to provide answers in the local language to questions, whether urgent or not, related to the utilization of a product sold locally by sanofi-aventis (in particular questions about safety and tolerance).
The subsidiaries take all necessary measures to receive urgent questions 24 hours a day, 7 days a week, in order to provide an answer as quickly as possible, with the most urgent requests being routed, if necessary, to physicians on call within the subsidiary.

EXAMPLES OF RELATIONSHIPS WITH PATIENT ORGANIZATIONS AND PROFESSIONAL GROUPS



Diabetes Program

In 2006, sanofi-aventis continued its engagement with the International Diabetes Federation (IDF) and its member associations. Moreover, being part of the largest ever diabetes coalition, sanofi-aventis was one of the players to support IDF in its action to reach a United Nations resolution. Adopted in December 2006, this landmark resolution (UNR 61/225) recognizes the global threat of the diabetes epidemic.

Program Shape of the Nations

Sanofi-aventis continues its "Shape of the Nations" partnership with the World Heart Federation established in 2005. Joined in 2006, by the International Association for the Study of Obesity (IASO) and the International Diabetes Federation (IDF), an educational disease awareness program was developed for World Heart Day 2006 to enhance awareness and understanding among physicians, patients at risk and the general public of cardiometabolic risk and the link to type 2 diabetes and heart diseases.

Examples of relations with associations, including healthcare professionals

United Kingdom

In May 2006, sanofi-aventis brought together members of Parliament, professional and patients groups to discuss the consequences of obesity and its impact on diabetes and cardiovascular risk. An independent report was agreed on by the participants as well as an information kit allowing them to organize local round tables and was sent to 100 parliamentarians.

South Africa

Sanofi-aventis has been instrumental in the creation of a prostate cancer foundation launched March 2007 aimed at:
- raising awareness about screening;
- promoting continuing education for healthcare professionals;
- assisting prostate cancer support and advocacy groups;
- enhancing and supporting research.

Over 4,000 men are diagnosed each year with prostate cancer in South Africa.

Promoting access to healthcare, medicines and vaccines

Most of the global population has little or no access to the most basic medicines. In response to this issue, sanofi-aventis has decided to take proactive steps to make access to healthcare an important part of our strategy – for people living in developing as well as industrialized countries.

THE CHALLENGES

Access to medicines and vaccines, and more broadly, access to healthcare for the most deprived populations, is a complex challenge that the pharmaceutical industry cannot tackle alone – the price of medicines being just one factor. For patients, the issue is not simply a matter of access to drugs, even at a very low price, but of access to actual treatment, which covers the entire process from diagnosis to receiving care (the appropriate diagnosis, complete medical care, medicines, and the services of physicians, nurses and hospitals).

Eighty percent of the planet's population does not have access to healthcare adapted to its needs, for a variety of reasons: difficult distribution systems, lack of healthcare personnel, inadequate diagnoses, poor public health infrastructures and, above all, poverty. In addition, research to find new drugs for certain diseases and conditions is unfortunately rather limited, primarily due to two reasons: limited and sometimes lack of sound financial markets in a context of poverty due to lack of national or international public financing, and the difficulties of distribution in the affected countries.

For several years, the pharmaceutical industry has been the focus of high expectations when it comes to these issues, especially concerning its R&D efforts, pricing policies and legal strategies for patent protection.

For more information about stakeholders' expectations, see the following web sites:
www.who.org, www.accessmed-msf.org, www.oxfam.org, www.care.org

ACCESS TO MEDICINES AND VACCINES IN DEVELOPING COUNTRIES

The sanofi-aventis portfolio includes products for the treatment of two of the three major pandemics affecting countries in the southern hemisphere: malaria and tuberculosis. The Group is working to develop a vaccine for the third pandemic, HIV/AIDS, although its portfolio does not contain HIV/AIDS treatments.

Two programs were introduced in 2001, one to fight malaria and another to combat sleeping sickness, in partnership with the World Health Organization (WHO). Following these initiatives, the Group increased its efforts in 2005 and 2006 by extending and expanding existing programs, and introducing new ones to fight leishmaniasis, tuberculosis and epilepsy. It also made access to several vaccines easier.

These programs often rely on the expertise of partners such as WHO, or development aid organizations and are based on four objectives:
1. research and development to find new treatments;
2.development of new therapeutic strategies based on currently-used compounds, such as combining fixed doses of two of its malaria compounds in a single tablet;

INVESTMENT BY SANOFI-AVENTIS TO PROMOTE ACCESS TO HEALTHCARE, MEDICINES AND VACCINES

→ When combined, all the access to medicines and vaccines programs in developing countries represent:

- an investment of more than 17 million euros in 2006, in addition to a dedicated team of 31 people at sanofi-aventis headquarters and 11 people in Africa;
- research and development expenses, in particular for malaria and, to a lesser degree, for leishmaniasis and tuberculosis;
- donations of medicines and vaccines, as well as selling them at reduced cost or differential prices:

– Malaria:	5.3 million treatments in 2006, including 330,000 that were donated;
– Tuberculosis:	350,000 treatments in South Africa in 2006;
– Sleeping sickness:	1 million ampoules over 5 years;
– Leishmaniasis:	more than 5 million ampoules;
– Epilepsy:	care for 1,200 patients since 2004 in a program in Mali;
– Vaccines:	donation of 1.7 million doses in 2006.

→ In addition, through its central structure and subsidiaries, the Group created long-term solidarity-based partnerships with numerous associations, primarily in the healthcare field. These represent:

- a 40 million euros investment in partnerships in 2006;
- donation of 1.2 million boxes in 2006, making it possible to treat more than one million people.

→ More than 130,000 patients in industrialized countries were able to take advantage of patient assistance programs providing access to medicines, essentially in the United States.

There is no harmonized method in this sector, and this year the value of drug donations and sales at differentiated prices was not assessed due to a lack of comparability.

For further information regarding access to healthcare, medicines and vaccines programs consult the following websites:
www.sanofi-aventis.com
www.impact-malaria.com
www.who.int/neglected_diseases/en

Production and distribution of antituberculosis medications in South Africa – the TB Free Program.

1 - The Waltloo production site.

2 - Training TB Free volunteers.

3 - Informing the public about the TB Free program.

4 – Distribution of free medicines for diseases.

3. training and information for all links in the treatment chain, including medical personnel, community authorities and patients;
4. implementation of a suitable pricing and distribution policy to promote better access to medicines and vaccines.

The sanofi-aventis portfolio for developing countries
In addition to products designed specifically for diseases affecting developing countries, the Group makes available to all developing countries medicines that are crucial for the treatment of very common and often infectious diseases and conditions, especially among children: It markets half the 320 drugs that the World Health Organization (WHO) considers "essential". These include in particular antipyretic analgesics (paracetamol, lysine acetylsalicylic acid, etc.), anti-diarrheal medicines, antibiotics and specific products to combat respiratory diseases and conditions (phenoxymethylpenicillin, carbocysteine, etc.), anti-inflammatory drugs (ketoprofen, etc.), corticoids (prednisone, prednisolone, etc.), antispasmodics (drotaverine), anti-epileptic drugs (phenobarbital and sodium valproate), anti-parasitic drugs (metronidazole) and diuretics (furosemide), among others.

Lastly, the Group has several specific Research and Development projects devoted to certain diseases that especially affect developing nations:
Malaria: Ferroquine, in Phase II, two compounds in preclinical, a vaccine against the parasite *Plasmodium falciparum* in preclinical with academic teams;
Dengue fever: a vaccine in Phase II;
HIV: a vaccine in Phase III;
Yellow fever: a vaccine in preclinical – formulation improvement;
Tuberculosis: internal research projects in collaboration with academic teams.

Sanofi-aventis' primary programs to respond to these challenges appear on pages 42 and 43. Initiatives to raise public awareness and patient support, which complement the programs listed below, are also presented on pages 36 and 37.

Patent protection
Sanofi-aventis considers respect for intellectual property rights an essential part of stimulating research and encouraging the risk-taking it involves. In this field, it is paramount for international agreements (World Trade Organization, WTO) to be applied and upheld.
At the same time, the Group's policy to promote access to medicines is designed to facilitate, as much as possible, access to its products for economically disadvantaged communities. Most of these products are not patented.

Working in partnership with the "Drugs for Neglected Diseases initiative" (DNDi), the Group developed an innovative formulation containing two well-known malaria drugs. It decided not to file a patent for this formulation so that it would be more rapidly accessible to the affected populations.

ACCESS TO MEDICINES IN INDUSTRIALIZED COUNTRIES

Difficulties with access to treatment also arise in industrialized countries among groups with inadequate healthcare coverage.
Sanofi-aventis has developed partnerships with public and patient support associations to provide medicines free of charge or at low cost.

In the United States where access to healthcare is of great concern, large pharmaceutical companies working in partnership with various organizations supplied prescribed medicines for 22 million prescriptions (with an estimated total value of $4 billion) through patient assistance programs. PAPs offer free or reduced-cost medications to low-income individuals and their families.

The sanofi-aventis patient assistance program provides free or low-cost access to various medications through a general program, as well as access to specific product lines (in oncology, urology, deep vein thrombosis, etc.) through targeted programs. For example, in the oncology field, the sanofi-aventis PACT+℠ enables patients to receive three drugs for the treatment of breast, lung and prostate cancers, as well as antiemetic drugs. In 2006, thanks to these sanofi-aventis patient assistance programs more than 130,000 patients in the United States received Group medications.

Sanofi-aventis also participates in the Partnership for Prescription Assistance (PPA). Through one entry point, (www.pparx.org/Intro.php) patients have access to more than 475 public and private programs to obtain medications, vaccines, etc. Through the Together Rx Access Program, the Group and nine other companies provide more than low-cost medications for individuals with low incomes and no healthcare coverage.

Since the year 2000, in conjunction with the Samusocial emergency services, the Group has been an active supporter of programs in France to prevent tuberculosis among the populations most at risk, through donations of medicines and financial assistance provided by the Group and employees at all French sites.

OUR PRIMARY SOLIDARITY PROGRAMS

From our headquarters, the Group coordinates about 40 solidarity programs in 52 countries, in addition to numerous projects initiated by our subsidiaries around the world.

Such initiatives aim to bring sustainable support to populations in need through programs for prevention and education, hygiene and access to healthcare, as well as the fight against disability, abuse and exclusion. With a focus on three key areas – health, solidarity and children – the Group's initiatives may respond to humanitarian emergencies, but they are ultimately part of a long-term approach to help the most vulnerable populations.

The success of all these initiatives depends on the complementary role of the partners involved – NGOs, hospitals, health authorities, etc. – who together combine their expertise to create a powerful source of innovation to serve program beneficiaries. It is also tied to the involvement of the Group's employees worldwide, whether they contribute their talents, volunteer their time or make personal donations that are matched by the Company.

RARE DISEASES AND ORPHAN DRUGS

A disease is considered "rare" when it affects a proportionally small number of individuals in the overall population. This number varies by geographical area: fewer than five people per 10,000 in Europe, fewer than 200,000 people in the United States, and fewer than 50,000 people in Japan. There are approximately 7,000 recognized rare diseases in the world.

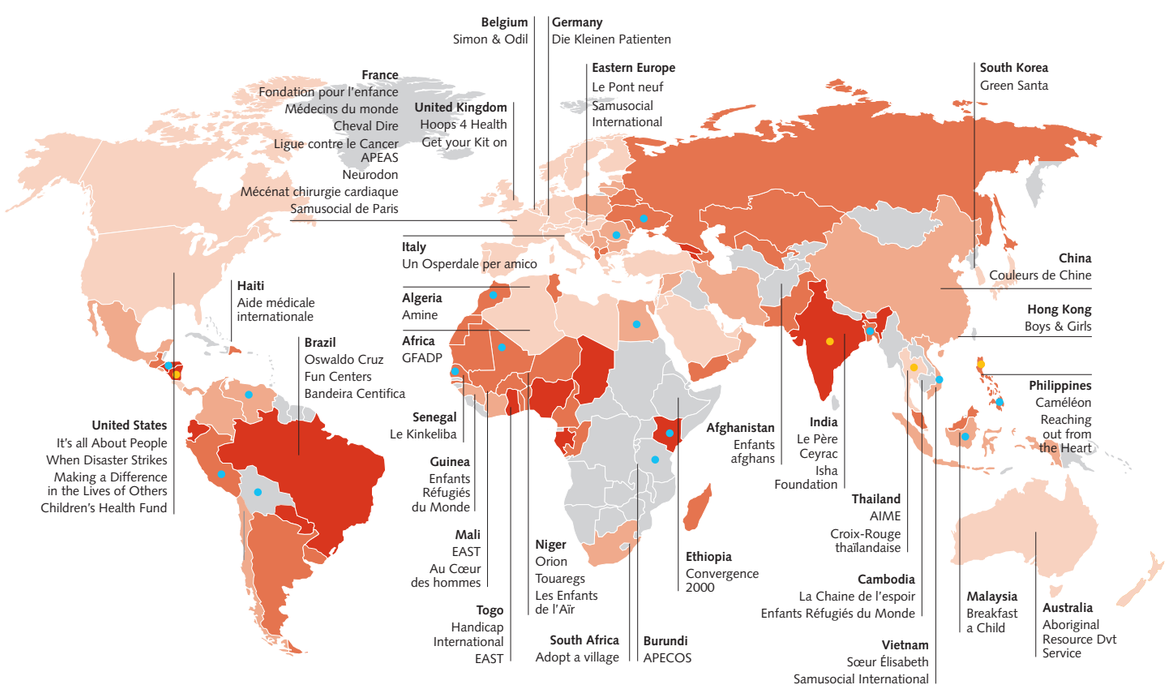
Orphan drugs are medicines designed to treat rare diseases. They are developed in response to a purely public health need.

The Group has successfully developed certain compounds in the last ten years, such as riluzole (Rilutek®) in 1997, the only drug that can slow the progression of amyotrophic lateral sclerosis (often referred to as Lou Gehrig's disease) and improve survival rates for patients with this neurodegenerative disease, or rasburicase (Fasturtec®) in 2001, used for the treatment and control of hyperuricemia caused by tumor lysis syndrome among patients with malignant blood diseases, which specifically affects children.

More recently, two products have obtained marketing approval in France:
• colimycine (Colimysine®) in November 2004 for the treatment of cystic fibrosis (using a spray);
• fumagilline (Flisint®) in November 2005 for its anti-parasitic effect on intestinal microsporidia manifested by extremely acute diarrhea in patients with severe immune deficiency. On the basis of this marketing approval, the product is also available upon request for use outside France to treat specific cases.

Sanofi-aventis also supports two European programs to promote the sharing of research findings:
OrphanXchange (www.orphanxchange.org)
and Erditi (http://www.institutmaladiesrares.net/encours.html).

Primary solidarity partnerships and patronage programs worldwide



See methodological note pages 76-78.

PRINCIPLE PROGRAMS (SANOFI-AVENTIS TEAMS INVOLVED)

PROGRAM/ DISEASE	NUMBER OF PEOPLE AFFECTED (deaths/year)	TYPE OF ACTION	PARTNERS	M€ IN 2006 (excluding dedicated teams and R&D expenses)	IMPACT AND COMMENTS
MALARIA	300 million (1-2 million)	(1) (2) (3) (4)	The Drugs for Neglected Diseases initiative (DNDi), UNICEF, French universities and various NGOs, especially CARE, Planet Finance and International Safety Actions (ASI)	8	• partnership agreement signed in 2005 with DNDi for the first combined dose of artesunate + amodiaquine (AS-AQ); • 5.3 million malaria treatments distributed in 2006; • no patent filed for the new AS-AQ combination.
SLEEPING SICKNESS	70,000 (always fatal if left untreated)	(1) (2) (3) (4)	WHO/TDR (Tropical Diseases Research)	4	**For the 2001-2006 period:** • investment of 25 million dollars; • nearly one million doses of 3 key drugs donated, nearly 110,000 lives saved.
TUBERCULOSIS	18 million (2 million)	(1) (2) (3) (4) (5)	Nelson Mandela Foundation, Republic of South African government	3	**TB Free Program for the 2005-2006 period:** • 8 centers for the training of volunteer-relays to monitor treatment; • 10,000 volunteers were trained, enabling the follow-up of 250,000 patients.
			Samusocial		• medicines donated; aid for the monitoring of the disease for 400 homeless people.
LEISHMANIASIS	12 million (200,000)	(2) (3) (4) (5)	WHO	0.1	• 0.65 million euros for 2007, may be renewed 4 times through 2011.
			O. Cruz Foundation		• 4,000 families monitored.
VACCINES		(3)	WHO, UNICEF, Global Alliance for Vaccines and Immunization (GAVI), Preventive Medicine Agency (AMP), governments of beneficiary countries, Universities of Cocody-Abidjan and Paris-Dauphine	1.4	• training for 250 district doctors who shared knowledge with 6,250 health workers, impacting the population of 8 countries, i.e., nearly 50 million people.
		(1) (3)	To combat yellow fever: WHO, AMP, UNICEF, GAVI, Pasteur Institute of Dakar		• organization of a training workshop in Bamako: 56 managers trained.
		(2)	To fight polio: WHO, UNICEF, Rotary International		• 120 million doses of OPV donated since the 1988 launch of the Global Polio Eradication Initiative (GPEI); • 2006: 1 million doses of OPV donated to India in partnership with WHO.
EPILEPSY	50 million	(2) (3) (4)	Santé Sud, AMC/Action and research in Epilepsy Network (RARE) University of Phnom Penh, KAWE (Kenyan Association for Welfare of Epilepsy)	0.1	• 6 doctors trained; • care given to more than 1000 patients.
CHILDHOOD CANCER	160,000 (90,000)	(2) (3) (4)	International Union against Cancer (UICC)	1	• UICC: 26 projects in 16 countries, for the benefit of 4,000 children, 900 professionals trained 2,100 families assisted, 1,835 million euros since 2004.
			Franco-African Pediatric Oncology Group (GFAOP)		• GFAOP: 450 children treated and donations of 2,000 boxes of medication.
			Cancer League		• France: 150,000 euros in 2006.
			"Fun Centers"		• 14 "Fun Centers" benefiting 40,000 children since 1999.

(1) Research (2) Donated medicines/vaccines, or sale at low cost (3) Training of medical personnel (4) Screening/raising awareness (5) Reduction in production costs.

Objectives

PROGRAMS	TIMEFRAME	INITIATIVES
Malaria	2007	• Bring to market the first fixed-dose combination of artesunate + amodiaquine in 2007 in Africa. • Open 3 new clinical investigation centers in sub-Saharan Africa (5 were opened in 2006).
Sleeping sickness	2011	Alongside WHO, achieve an 80% drop in the incidence of new cases by 2011, thanks to the Group's contribution of 13 million euros between 2006 and 2011.
Leishmaniasis	2007	• Education, training and diagnosis *via* WHO. • Begin transferring production to Brazil and decrease production costs.
Buruli ulcer Chagas disease	2011	• With WHO, commitment of more than one million euros to bolster the fight against these two diseases (WHO agreement signed in October 2006): – extend and optimize the recently discovered benefits of combined antibiotherapy; – prevent infections and improve early detection as well as care provided.
Epilepsy	2007	Implementation of programs in Cambodia, Madagascar, Kenya, Mali.
Tuberculosis	2007	• Possibility to extend partnerships with health authorities to other countries. • Begin transferring production of tuberculosis drugs from Italy to South Africa.
Vaccines	2007-2012 2007	• EPIVAC: Commitment of financial support for 5 years while waiting for funding from countries and financial providers. • In Indonesia: donation of 1.4 million doses of IPV vaccine over 5 years (i.e., 270,000 doses per year).
Childhood cancer	2007	Extend the program to 6 new countries: Bolivia, Indonesia, Kenya, Mali, Peru and Romania, and take part in 12 new projects.

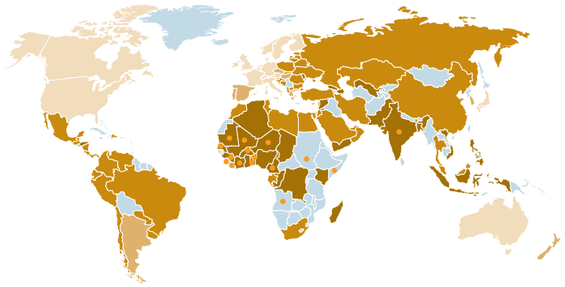
Sleeping sickness

Zones colonized by tsetse flies
Sleeping sickness program

Source: "Manuel de lutte contre la maladie du sommeil" by Claude Laveissière and Laurent Penchenier.

See methodological note pages 76-78.

Vaccines



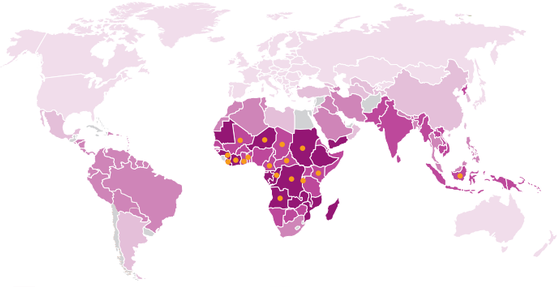
Health expenditure per person in purchasing power parity.

Very high ($2000 to $6000)
High ($1000 to $2000)
Not available
Average ($200 to $1000)
Low ($0 to $200)
Immunization program

Source: UNDP 2006 data.

See methodological note pages 76-78.

Impact of malaria

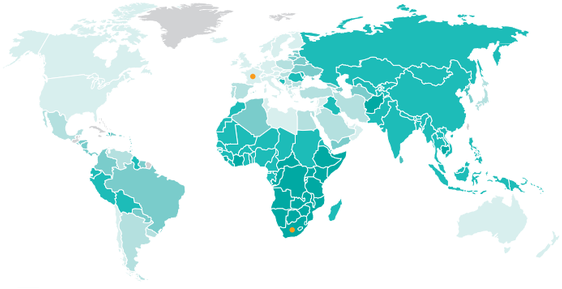


Very high (0-2.5)
High (2.5-5.0)
Average (5.0-7.5)
Low (7.5-10)
No cases reported
Malaria program

Source: UN and WHO 2000 data.

See methodological note pages 76-78.

Tuberculosis risk



Very high (> 300)
High (100 - 299)
Average (50 - 99)
Moderate (25 - 49)
Low (< 25)
Tuberculosis program

Source : WHO 2005 data.

See methodological note pages 76-78.

SURVEY TO ASSESS OUR PARTNERS' LEVEL OF SATISFACTION

Although partnerships and solidarity-based practices with healthcare associations go back several decades, the development of far-reaching public-private partnerships involving many different players and active participation from the Group in many forms is more recent. The cultures and general objectives of partner organizations sometimes differ with those of a company. It is therefore critical for us to learn to integrate this type of collaboration into our day-to-day working methods.

To prepare this report, the Group submitted a satisfaction survey to our principle partners: TB Free, CARE, Santé Sud, EPIVAC, the Oswaldo Cruz Foundation, WHO, and the International Union against Cancer (UICC).

All our partners report they are very satisfied with the way in which sanofi-aventis complies with its commitments and provides support. Regular program monitoring makes it possible to take corrective actions to ensure the success of the various projects. The Group is aware that the very good results of this first survey will need to be confirmed by a more extensive evaluation.

The next objective for the Group will consist of enlarging this survey to identify key success factors and develop rules that can be applied to all partnerships initiated.

MALARIA
JULIEN GROUILLET,
Head of Corporate Social Responsibility partnerships, CARE

"The project, which covers a population of 52,000 people, clearly has a direct impact on certain millennium objectives such as infant mortality, maternal health and the fight against malaria. Needs are definitely huge; malaria remains the leading cause of mortality in sub-Saharan Africa. Beyond this pilot project, we are also focusing on the commitment made by sanofi-aventis for R&D on diseases linked to poverty, and to the considerable effort that must be made when it comes to the cost of medicines in developing countries. With sanofi-aventis, our relationship is based on a partnership and not one of fund provider/sub-contractor. Funding from the company represents a minor portion of our budget, which leaves us total independence."

EPILEPSY
SIMON MARTIN,
Simon Martin, Director, Santé Sud

"The overall aid provided is particularly appreciated, as is the respect for the program's philosophy, which is to take a cross-sector approach to work and do everything possible to achieve the integrated implementation of vertical programs. This is especially important because in the field, Santé Sud is faced with competition among players involved in three different networks (epilepsy/high blood pressure/HIV)."

SLEEPING SICKNESS
JEAN-GEORGES JANNIN,
Director of the Intensified and Innovative Disease Management (IDM) Program, WHO

"The main lesson we've gleaned from five years of partnership with sanofi-aventis is that today it is possible for WHO to work with the pharmaceutical industry, so that the industry supports our strategies without 'interfering' or imposing technical constraints. Mutual trust and flexibility during implementation are the key success factors.
The financial support provided by sanofi-aventis has made it possible to greatly improve initiatives to combat the disease in endemic countries. Regular monitoring of strategies, actions and results will be vital to enlarge and adapt a future partnership.
In particular, interconnectivity between the respective networks will need to be improved for new medicines and new tools.
Beyond the financial aspect of support, our partner must also adopt the cause and mobilize its networks. Enlarging this partnership to include other diseases and activating other networks (i.e., political ones) is one aspect that must be considered today to help supplement financial support."

TUBERCULOSIS
THULANI NDAMANE,
member of the TB Free Board of Directors, Nelson Mandela Foundation, South African Government

"With tuberculosis currently being a crisis in South Africa, the TB Free Program is completely aligned with a sustainable development approach. It has the potential to improve South Africa's TB control outcomes in a very positive manner."

VACCINES
MARCEL DRACH,
Scientific Director of the EPIVAC project for Université de Paris Dauphine

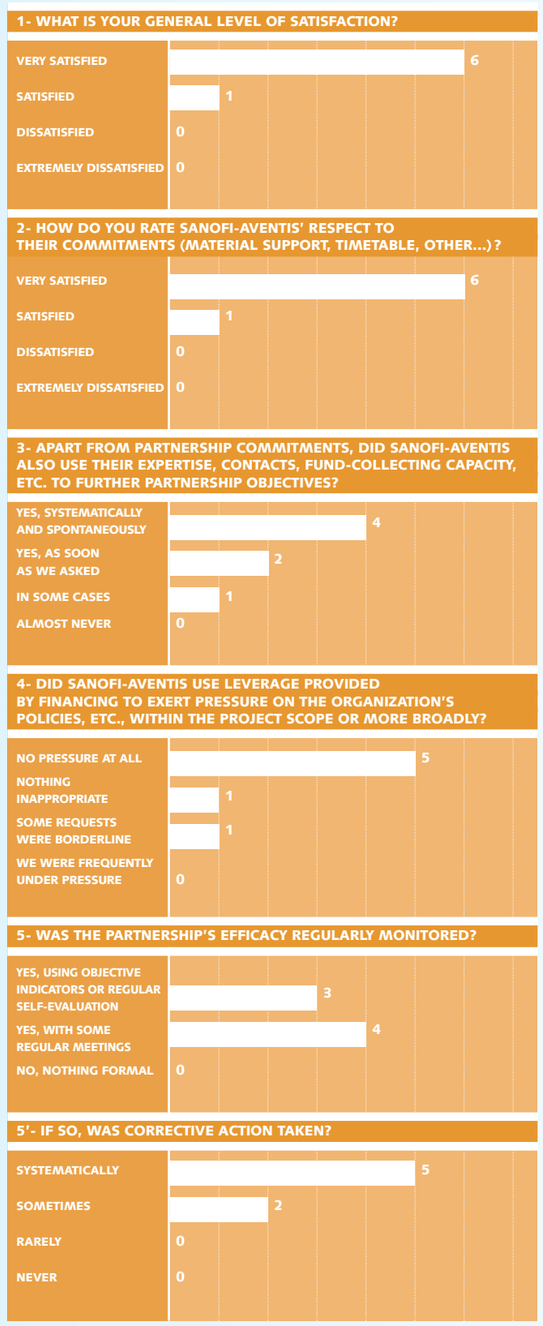
"The project has enjoyed steady monitoring, which has made it possible to continuously correct our course, especially with respect to remote learning. It is nevertheless regrettable that an internal evaluation of the project after five years has not yet received the approval and necessary support from sanofi-aventis.
When it comes to the choice of beneficiary countries or the selection of candidates, we've been able to act freely, without interference from sanofi-aventis. In the field, we are already feeling many positive effects: experimenting with innovative methods, the development of a Public Health manager profile in beneficiary countries, the creation of a network of public health physicians in eight West African countries and impact on immunization programs."

CHILDHOOD CANCER
ISABEL MORTARA,
Executive Director, International Union against Cancer (UICC)

"In some countries, there is no solidarity or outside support for children with cancer. The 'My Child, My Battle' program brings together experts in international networks that make it possible to create very important, lasting ties.
By continuing to extend the program to six additional countries, UICC and sanofi-aventis would like to encourage pilot projects and the sharing of experience with less advanced countries in order to give the children of these countries the same chances of being cured as in industrialized countries."

LEISHMANIASIS
DR. OTAMIRES ALVES DA SILVA,
Oswaldo Cruz Foundation

"While awaiting the development of a much hoped-for vaccine that would meet our needs, the multiple forms of the disease and its alarming expansion mean that efforts must be actively focused on the task of prevention.
This is where our partnership with sanofi-aventis is truly valuable—in order to effectively fight against this scourge, which we can no longer include on the list of neglected diseases."



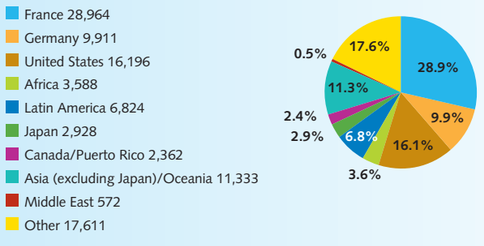
Social responsibilities

The Group's day-to-day operations encompass the sanofi-aventis values of solidarity and respect for employees and their families. We place great importance on integrating a wide range of skills and we value diverse cultures and experiences. The Group is committed to developing high-quality social dialogue and to ensuring fair compensation and benefits to prepare its employees for whatever the future may hold. It also offers its employees career development opportunities so that they can grow with the company and ensures their health and safety in the workplace. Overall sanofi-aventis is dedicated to responsible employee management.

SANOFI-AVENTIS GROUP SITES WORLDWIDE

As of 2006 sanofi-aventis employed over 100,289 in 100 countries, an increase of 3,108 (+3.2%) versus the end of 2005.
More than 16,000 people were hired in 2006, 75% with permanent contracts, primarily to strengthen R&D and vaccine teams, as well as sales forces in Latin America, Asia (China, India) the Middle East and Japan.
Approximately 13,000 people left the company in 2006, including 3,006 with expired fixed-term contracts, leading to an employee reduction in Pharmaceutical Operations, in the United States and in Europe.

Distribution of the sanofi-aventis workforce worldwide
(number of employees)



For a more comprehensive view of these data, see "Overview of Global Indicators", pages 73-74.

SOCIAL DIALOGUE AND REORGANIZATION MANAGEMENT

SOCIAL DIALOGUE

Sanofi-aventis seeks to develop high-quality social dialogue with all its employees in each country. It takes into account local practices to implement this approach.

The Group's policy regarding social dialogue is laid out in its Social Charter, which is distributed to all its employees and translated into over 20 languages: "Sanofi-aventis applies the principles of the UN Global Compact to which it has subscribed. With respect to social dialogue, this specifically refers to the support of freedom of association and the right to collective bargaining."

European Works Council
An agreement to establish the sanofi-aventis European Works Council was signed in February 2005, six months after sanofi-aventis was created. The European directive(1) advocates the establishment of a European Works Council in community-scale undertakings since 1995; in 2006, only 35% of the companies involved applied this recommendation. The Council which fosters dialogue and information sharing is composed of 40 employee representatives from 25 countries within the European Union, the European Economic Area and three countries that have applied for EU membership. Jean-François Dehecq chaired this council, which also includes members of the Executive Committee responsible for the Group's major functions, until December 31, 2006. Gérard Le Fur succeeded him as chairman beginning on January 1, 2007.
Although regulations stipulate one meeting per year, the European Works Council meets twice a year and addresses topics concerning our strategy, European employment policy, sanofi-aventis' financial results and outlook, which must be addressed at the European level due to their scope and transnational impact. These meetings have provided a forum to discuss the impact of health policies, generics, various price control measures applied to the Group in some countries that create job insecurity in Europe, and various product transfers between sites. The European Works Council elects five employee representatives (three French, one English, one German) to the sanofi-aventis Board of Directors who serve in an advisory capacity.

(1) Source: European Trade Union Confederation.

Group Works Council, France
Established in April 2005, the sanofi-aventis Works Council France is composed of 25 permanent members and 25 substitutes, as well as permanent and substitute union representatives, appointed by the trade unions. The council, which met twice a year under the chairmanship of Jean-François Dehecq until 31 December 2006, is informed about the Group's business activities, financial situation, employment and future prospects. Gérard Le Fur took over as chair on 1 January 2007.

In 2006, several agreements were signed in order to apply the same measures to all the Group's employees. Most of these agreements were signed by the majority of trade unions represented.

The negotiation program will continue in 2007 with one of its aims being to reach an agreement on the harmonization of additional coverage concerning benefits with actual healthcare expenses.

REORGANIZATION MANAGEMENT

Group reorganizations arise from the Group's inevitable adaptation to technological changes and to new developments in the economic and social environment, particularly concerning measures taken in various countries to control healthcare expenses.

When layoffs are unavoidable, the Group implements support measures to minimize social consequences for personnel involved. These support measures include transfer assistance to other locations, job training, and employee aid for business start-ups. Additional measures include company-financed early retirement plan and leave for job transfers internal or external to the company.

Following the 2005 merger, choosing a single headquarter location in the various countries were previous legacy companies had sites led to employee transfers. These employees received relocation aid to transfer to new jobs. Social plans were implemented to help non-mobile employees find employment locally outside sanofi-aventis.

At the same time, through SOPRAN, a company subsidiary whose role is to promote new business activities, sanofi-aventis provides assistance to its sites faced with major restructuring – for example Archemis (see page 69).

INTERVIEW WITH FRANÇOISE PIERRE,

Secretary General of the European Works Council

"Our European Works Council has made good progress compared to other councils. Some groups, such as Total, are just negotiating European social agreements at this time. Since our council was set up in March 2005, all the permanent representatives and substitutes were able to meet each other as a result of the rapid implementation of the two training sessions provided for in our agreement.
One of the assets of our council is the freedom of expression encouraged by the chairperson and council members, conducive to open, uncensored discussions at the two annual meetings.
The quality of debate is also encouraged by the number of languages translated, allowing delegates to express themselves in their own language, by the low turnover of representatives and a high rate of attendance. Unfortunately, we cannot address all of the issues we would like to in just one day. The Select Committee that meets nine to ten times a year, including, at a minimum, four meetings with management, makes it possible to address some of these topics.
One of the major areas for improvement is the information chain. It is difficult to have all the documents in all the languages spoken by our representatives. The level of information is variable depending on the workforce and the number of functions in one country. Because of their proximity to headquarters, French representatives very often have more information.
We must also improve the flow of information to employees. This is a priority for the Select Committee, which has the opportunity of meeting employees and their representatives during the three annual trips provided for in the agreement.
The committee has begun its tour of Europe (Holmes Chapel, Lisbon and Frankfurt).
We must make sure that all European countries receive equal treatment and avoid an overwhelming French influence. The council must be in close touch with the employees despite the difficulty of the task, given the size of the Group and its history. One positive measure would be the creation of a "European Works Council" site on the Intranet. The council members are encouraged to develop the website and social dialogue in the interest of all employees."

Swiftwater site (United States).

Communicating using sign language. Labège site (France).

DIVERSITY

We are committed to ensuring equal opportunity and promoting diversity as a resource to optimize performance.

Sanofi-aventis has always placed great importance on integrating diverse skills and values a wide range of backgrounds and experiences.

A new position – Diversity Manager – was created within the Corporate Human Resources Department in July 2006, emphasizing the Group's ongoing commitment to equal opportunity and diversity, in accordance with its Code of Ethics and Social Charter. The manager's first task was to implement and coordinate an international network of diversity representatives according to function and geographic zone.

Actions to promote diversity have multiplied and include implementation of pilot operations with anonymous *curriculum vitae*, human resources team training in France and diversity awareness-raising for managers during international seminars.
In France, social dialogue has moved ahead in this area as well with two agreements signed in 2006; one involving the integration and retention of disabled individuals in the workplace. The other involves job equality between men and women.

Diversity is a complex issue worldwide, whether it is internationalization, gender equity, and age distribution, job access for the handicapped or ethnic minorities. It is important to consider each individual situation, determine how to approach the topic while taking into account local regulations.

INTERNATIONALIZATION

The Group has always stressed diversity as a source of creativity, innovation and performance. Sanofi-aventis is a multicultural Group illustrated by:
• industrial, research and distribution sites and its sales subsidiaries located in over 100 countries;
• recruitment policy, which gives priority to hiring men and women locally rather than expatriation, including management positions. 100% of R&D and distribution site managers, over 75% of production site or sales subsidiary managers, and 55% of vaccine site managers are recruited locally;
• the value we place on diversified experiences and backgrounds;
• multicultural and multidisciplinary research teams;
• respect for local cultures.

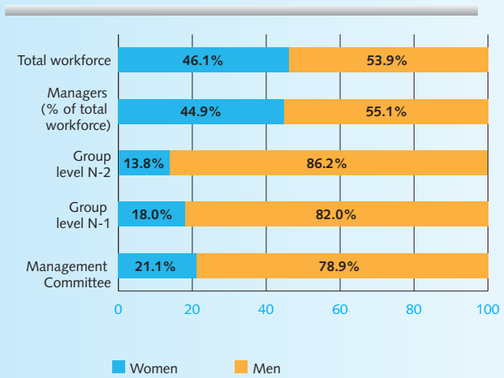
GENDER EQUALITY

The proportion of women in the Group worldwide reached 46%.
At the managerial level, gender composition is about equal and continues to improve. The Group's executive committee had four women as of 1st April 2007. Sanofi-aventis will have to continue efforts to increase the number of women holding key positions within the company.

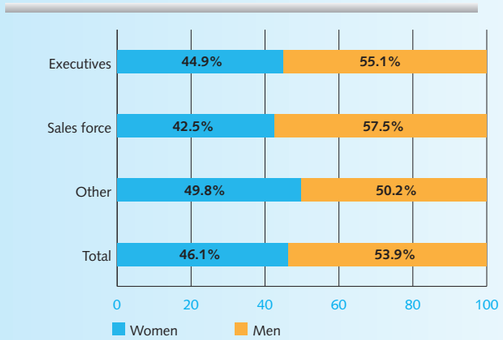
Gender distribution by job category (in %)

	Management		Sales force		Other	
Zone or country	Men	Women	Men	Women	Men	Women
Europe	54.2%	45.8%	50.9%	49.1%	50.8%	49.2%
United States	54.4%	45.6%	48.7%	51.3%	39.5%	60.5%
Other countries	59.4%	40.6%	68.5%	31.5%	51.6%	48.4%
Worldwide	55.1%	44.9%	57.5%	42.5%	50.2%	49.8%

Gender distribution at different management levels within the Group



Distribution by gender and job category



Distribution of men/women hired by job category (in %)

	Management		Sales force		Other	
Zone or country	Men	Women	Men	Women	Men	Women
Europe	55.1%	44.9%	48.2%	51.8%	52.3%	47.7%
United States	51.5%	48.5%	37.5%	62.5%	42.5%	57.5%
Other countries	59.8%	40.2%	66.9%	33.1%	44.3%	55.7%
Worldwide	55.2%	44.8%	57.3%	42.7%	48.7%	51.3%

Gender equality agreement in France for Science and Medical Affairs

This agreement that endorses job equality between men and women, individually and collectively, is a positive step in the struggle against forms of direct and indirect discrimination.
It calls for equal treatment between men and women in terms of career choices, training, recruitment, working conditions, career advancement, promotion and compensation.
Specific indicators will be put in place, primarily based on the annual gender equality report that is previously reviewed with trade unions.

MARIE-HÉLÈNE LAIMAY,

Senior Vice President
in charge of Audit and Internal Control

A graduate of the école supérieure de commerce et d'administration des enterprises (School of Commerce and Administration for Enterprises), with a degree in advanced accounting, Marie-Hélène Laimay joined the Group in 1985 after three years in auditing. She served as the Group's financial director from 2002 to 2004 and is currently Senior Vice President of Audit and Internal Control.

What difficulties do you perceive in hiring women?
Within the pharmaceutical industry and more specifically within our company, as our data show, I don't see any real difficulties.
My experience in France has shown that the education level of women today places them on equal footing with men for most positions, especially in finance.

What about in senior management positions?
That's where the problem begins. I think that women must be more proactive and take more risks to obtain a management position.
To advance to senior management positions within sanofi-aventis, women must often prove their personal commitment.
Once again, the data speaks for itself. They confirm a significant decrease in gender equality at the executive committee level, although men and women have similar qualifications and are hired in equal numbers.

How do you feel about a woman holding a management position within a company the size of sanofi-aventis?
It is a great source of pride. It is also an extraordinary experience and a very encouraging sign for women struggling to attain senior management positions within the company. Moreover, I am not the only woman on the executive committee. I think that together we can show how valuable it is for a company such as ours to take advantage of the complementary approaches used by men and women to address the new challenges facing the pharmaceutical industry today.

CLOSE-UP ON A WOMEN'S NETWORK IN THE US PHARMACEUTICAL OPERATIONS DIVISION

WISE (Women Inspiring Sanofi-aventis Excellence) is a network open to all and includes approximately 250 women. Chaired by two women, one an assistant vice president and the other a senior director, this group helps minorities and women develop professional skills as well as a knowledge base that can help them advance in the workplace by offering them the opportunity of participating on four committees: Business Focus, Connections & Networking, Professional & Personal Development, and Field Network (Sales Force).
The WISE organizers are looking to expand their ranks to other functions in the United States, such as R&D and vaccines.

ETHNIC AND SOCIAL ORIGINS

The Group is committed to ensuring all applicants and employees have the same recruitment and advancement conditions. In the United States, sanofi-aventis is a partner with associations that promote diversity in order to integrate minorities into company workforces (National Black MBA Association, National Society of Hispanic MBAs).

2007 Goal

Introduce partnership initiatives with associations in France, to promote the integration of minorities or disadvantaged social groups.

DISABILITY

Sanofi-aventis continues to pursue its commitments regarding disabled employees in terms of recruitment; workplace retention raising employee awareness and working with specialized centers employing disabled individuals.

In France: in response to the 11th February, 2005 regulation, the Group signed a three year agreement (in collaboration with the Works Councils and validated by the French Ministry of Labor, Social Cohesion and Housing) regarding integration and job retention for disabled employees.
At the end of 2006, the Group employed 660 disabled people, based on the new legal criteria, 49 of whom were integrated in 2006.
Additionally, two statutory issues in the February 2005 law were addressed: access to the media and building accessibility.
- A project is underway to improve the accessibility and availability of the package inserts for our drugs sold in France on the French sanofi-aventis Internet site.
- The Guide to Self-Evaluation in Terms of Accessibility (GAMA) to building accessibility was finalized and its practical use validated by three pilot sites. This will be implemented in France in 2007.

Worldwide: In 2005, Mission Handicap made plans to go international, beginning with Hungary, so that local initiatives (surveys, awareness-raising) can support the integration of disabled employees. The Mozaik project was launched in Hungary after an analysis of constraints and working environment. Initiatives were also undertaken in Japan and Brazil.
In order to grant access to information available *via* the Internet to disabled people, the Web Accessibility Initiative was successfully completed. The Group's corporate site (www.sanofi-aventis.com) obtained the official "AA" W3C label. Work is in progress for the Internet sites, sante@ and sanofi pasteur.

Goal

The Group would like to establish indicators related to disability worldwide.

COMPENSATION

Sanofi-aventis' compensation policy recognizes individual and collective performance on the basis of internal equity. Taking external competitiveness requirements into account, this policy seeks to establish in each subsidiary a compensation level that is around the local pharmaceutical industry median.
This policy is incorporated into the functions within each country while respecting local regulations and practices.

VARIABLE INDIVIDUAL COMPENSATION, A MANAGEMENT TOOL

Sanofi-aventis defines the principles of variable individual compensation. These principles enable management to recognize and promote individual performance by ensuring that it adheres to the Group's values and by encouraging teamwork *via* the introduction of an individual contribution indicator, independent of goal achievement. Each function defines its quantitative and qualitative goals in accordance with those of sanofi-aventis and then ensures that they are incorporated into individual goals, thereby guaranteeing our performance as a Group.

COLLECTIVE COMPENSATION

In 2005, agreements signed in France that became effective in 2006, established a unique variable collective compensation system (voluntary and statutory profit-sharing schemes) for all sanofi-aventis employees, excluding those in the vaccine business. Sanofi pasteur employees currently maintain their own short and long-term profit-sharing plans.

Industrial Affairs: recognizing collective performance on a worldwide scale
Industrial Affairs designed and implemented a collective performance compensation system known as the Annual Progress Plan (APP) in countries where no legal collective performance compensation system exists (voluntary and statutory profit-sharing schemes).
Based on the same criteria and using the same definitions, the APP contributes to the establishment of a common industrial language.
The APP applies to employees who do not receive variable individual compensation, i.e., 88.2% of the employees at industrial sites.
At the end of 2006, the APP, was in place at 19 industrial sites in nine countries and involved 4,200 employees. In 2007 it will be extended to 6,700 employees across 30 industrial sites in 18 countries with no legal collective performance compensation systems.

SOCIAL PROTECTION

The Group strives to ensure high-quality benefit coverage for its employees worldwide.
This means providing adequate protection in terms of health, disability, death and aging by offering coverage corresponding to the local needs of employees, respecting local cultures and regulations, and which are based on the sanofi-aventis values: fairness, solidarity, respect for others and accountability.

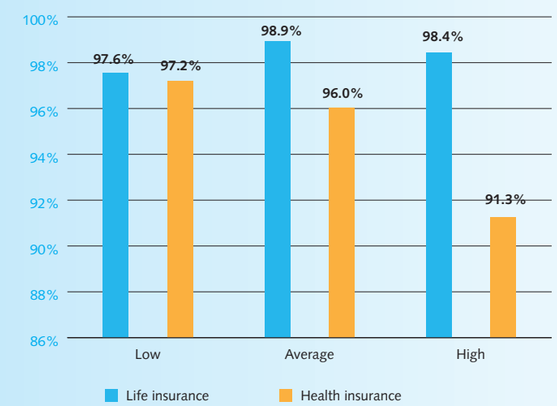
PROTECTION AGAINST UNEXPECTED EVENTS WORLDWIDE

The Group's policy aims to provide insurance for all its employees against unexpected events through the reimbursement of expenditures related to illness and maternity, and the payment of death benefits and disability compensation. This goal applies to all countries where the Group operates, regardless of function. For both health and life insurance, the goal is close to being met since the Group makes these benefit plans compulsory whenever local regulations allow. Thus, regardless of the public pension plan levels, sanofi-aventis coverage is always high.
Moreover, as of 2005, a detailed and transparent analysis of all compulsory public and professional pension plans was undertaken, in order to assess the retirement level of local pension plans capable of providing an income to all retired employees. This made it possible to identify certain adjustments that are gradually being put in place at sites and subsidiaries.

PROGRESSIVE HARMONIZATION BASED ON GROUP VALUES

In order for all employees worldwide to benefit from insurance plans, sanofi-aventis in 2005, decided to harmonize the existing benefit plans in the various entities of the legacy companies that merged in 2004. Harmonization principles were defined as follows:
- to address all functions and to offer benefit plans adapted to all employees in a given country;
- to maintain existing plans until a new harmonized benefit plan can be implemented;
- to prohibit all discrimination, particularly on the basis of sex, age, health or financial status (a prior two-year contribution);
- to initiate action plans to bring employees and their representatives together within local forums to encourage social dialogue;

Employee life and health insurance coverage by a sanofi-aventis benefit plan



Percentage of sanofi-aventis employees covered by life and health insurance, broken down by public health expenditure category.
Definition of category: low:$ 7-200; average: $200-1,000; high: $1,000-3,000 (estimated expenses per person – 2001).

Source: Worldmapper.

• to apply the qualitative guidelines underlying sanofi-aventis policy. The Group's qualitative guidelines regarding respect for individuals are a mandatory requirement for all subsidiaries, regardless of their economic potential, local practices or cultures. Whenever an insurer requires a preliminary medical exam, the Group offers to either reduce the cost of the maximum benefits or to pay an additional premium so that no employee is forced to undergo this type of examination.

HIV/AIDS mission
For almost two years, sanofi-aventis, a member of Sida Entreprises and the Global Coalition on AIDS, has been involved in an in-depth study of how to design an effective HIV infection control program. The first year was devoted to the analysis of the successes and failures of HIV/AIDS control programs in countries with a high incidence of the disease.

The risk of exposure to AIDS
The Group's workforces are broken down into prevalence rate zones. The HIV/AIDS mission primarily concerns African countries; the corresponding workforces are identified by the shaded areas on the graph.

In South Africa, 43% of the Group's employees work at the production site and 57% in Pharmaceutical Operations. The production site was chosen as a pilot; during the first half of 2006, 30% of the production site workforce participated in a voluntary screening test. A second screening campaign carried out in December 2006 enabled 80% of the employees to be screened. We consider this operation to be a success since 100% of the volunteers tested retrieved their results.
Harmonization of social protection plans in sub-Saharan Africa and in South Africa was accomplished in accordance with the Group's principles. They offer health coverage, including antiretroviral therapy, as well as death and disability benefits to employees and their families. The Group is also committed to ensuring confidentiality and employer non-involvement in the employee's relationship with the insurer and administrator.
Now that the Group is confident that each and every one of its employees has access to screening for all sexually transmitted diseases and quality healthcare, it is doing everything within its power to provide the various elements necessary for the integrated control of Sexually Transmitted Diseases (STDs), including HIV, for all of sub-Saharan Africa.

2007 Goals

The Group intends to pursue this initiative as follows:

• in South Africa, with the goal of screening 100% of the employees who are interested and 30% of beneficiaries;

• in other subsidiaries, specifically in Africa, implementation of awareness-raising and training programs.

OUR CHILDREN MATTER

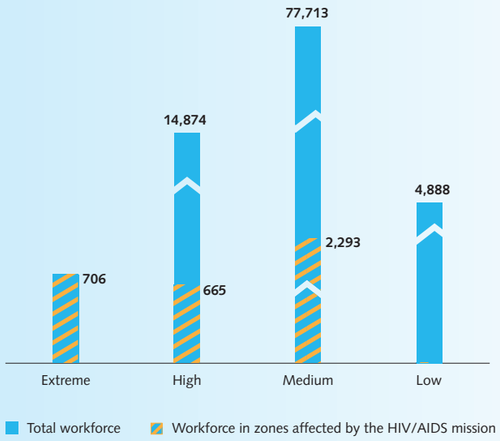
The role of the association, "Our Children Matter," is to provide moral and material support to the children of employees faced with difficulties that could have an impact on their future.

This association, which provides assistance when no other source of help is available, is funded by employee donations and an annual endowment from sanofi-aventis. In addition, the Group provides the funds necessary for its operating expenses.

The association is active in all countries where the Group operates. It works primarily in two ways: first, by responding to requests for individual assistance and, second, by organizing collective actions within subsidiaries (immunization and screening campaigns, training programs, depending on sanitary and social conditions).

In 2006, the Association's collective efforts focused on Vietnam, the Philippines, China, the Dominican Republic, Ukraine and Hungary. It also provided individual assistance to 250 families in more than 27 countries, including France, the Philippines, Guatemala, Egypt and South Africa.

Number of employees concerned by the HIV/AIDS Mission



Definition of prevalence zones

Measurement of risk posed by HIV/AIDS to human health and the extent to which a decline in health and lack of capacity to contain the disease have an impact on the competitiveness and well-being of business and society in each country.

- extreme = 0-2.5;
- high = 2.5-5.0;
- medium = 5.0-7.5;
- low: 7.5-10.0.

See methodology note, pages 76 and 78.

Source: Global Map of HIV/AIDS 2006 – Maplecroft's HIV/AIDS Index (HAI) – 148 countries.

RECRUITING AND CAREER MANAGEMENT

Attracting, integrating and offering professional development for employees is a Group priority.

RECRUITING

2006 was characterized by a high recruitment rate, with more than 16,000 people hired, 75% of them on a permanent-contract basis:
• this made it possible to fill vacated positions as well as to strengthen R&D teams (France, Germany, United States) and sales forces, particularly in China, India and Latin America;
• in 2006, the Group set up the "e-Job" high performance hiring management system for mobility management and external recruitment;
• in France, the Group's commitment to equal opportunity employment is primarily illustrated by the introduction of anonymous *curriculum vitae* within "e-Job". For external candidates, data related to civil status concealed from recruiting agents, allowing an initial selection based only on training and experience.

2007 Goal

Gradual international implementation of "e-Job," initially launched in four European countries.

Relationships with schools and universities
Sanofi-aventis reinforced its partnerships with specific schools and universities in a number of countries: France, Spain, the United States, Greece, Italy, China, Egypt, Brazil, etc. These relationships are also expressed in the company's participation in numerous forums, an active internship policy, apprenticeship contracts and the organization of site tours. In the case of Industrial Affairs, France, interns and apprentices made up 5% of the workforce at production sites in 2006. In India, the pharmaceutical production and development unit in Goa organized four tours of the site in 2006 for students from a variety of backgrounds.

Mobility policy
The Group encourages in-house, inter-site and inter-functional mobility, initially by giving priority to in-house applicants for all job openings. In France, these jobs are posted on "e-Job", giving employees complete access to existing opportunities in real time. Concurrently, mobility networks also seek job solutions for employees who may be affected by reorganizations.

CAREER MANAGEMENT

The Group places great importance on preserving management continuity in key positions and ensuring employee career development potential.

Management continuity in key positions
Employee reviews were conducted once again for the entire Group and enabled executive committees to take stock of the organization in even greater depth: definition of key positions, short-term job vacancies, identification of potential in-house applicants to fill vacancies, etc. These reviews also provide a perspective on skill development and possible organizational changes in order to have an up-to-date view of the strengths and weaknesses of the entity and to draw up individual or collective action plans.
As an example, in Industrial Affairs, the employee review is always consulted when key positions become vacant to encourage in-house promotions provided, of course, that the applicant corresponds to the job profile. In 2006, more than 50% percent of all vacant key in-house positions worldwide were filled in this manner. This makes it possible to ensure management continuity while maintaining Group values.

DEVELOPING PROFESSIONAL SKILLS

Sanofi-aventis' human resources and development policy aims to develop the skills and performance of each employee, while never losing sight of current and future business challenges.
The performance and development management policy initiated in 2005 is based on two specific reviews: one focused on goals and annual performance, and the other on employee development. In 2006, these employee reviews were adopted by all of the Group's sites and subsidiaries, making it possible to implement adapted action plans in terms of recruitment, filling vacant managerial positions and talent development.
In order to involve employees in their own career development, sanofi-aventis launched the "e-CV," making it possible for employees to apply for in-house job openings and to present and enhance their career skills. In 2006, the "e-CV" was introduced to France for certain positions, in Great Britain and in some Latin American countries within Pharmaceutical Operations. Nearly 6,700 people can now benefit from this initiative. Implementation will continue in France and worldwide in 2007.

The Group encourages its employees to develop job skills and offers them a variety of career options:

• **Éric Garrigou,** French, 48, joined the Group when he was 18 years old as an assistant chemist. His outstanding potential was quickly noticed and he was able to pursue his engineering studies while working at the company. After some ten years with the Animal Health Division as head of the Analysis Department, the Group offered him the opportunity to hone his skills within its Human Health Research Unit. From 1996 to 2004, he was responsible for international antithrombotic portfolio development. He has been Assistant Vice President of Project Management since 2004.

• **Fiona Brownlie,** British, 41, holds a Bachelor of Commerce degree. She began her domestic career in marketing/sales before moving to a corporate position in International Relations in Germany, in 1991. In 1996, her career further evolved with a four-year management assignment in Global Marketing in the United States. She returned to Germany in 2000 where she joined Corporate Public Affairs moving to France in 2003. Engaged in patient advocacy issues since 2005, Fiona is currently senior director in charge of patient associations.

• **Min Bok Lee,** South Korean, 39, holds a Bachelor's degree in Business Administration. He joined the Group's Finance Department in 1993. He rapidly made his way to the Data Processing Department, first as SAP project manager and then as head of Data Processing. He then left for England where he made his debut in sales and marketing; in turn he worked as a medical sales representative, a marketing assistant in the Oncology Business Unit (BU) and, finally, for Global Marketing Management, Internal Medicine, in the United States. He returned to Korea in 2004 to head the Internal Medicine and Central Nervous System BU.

• **Pierre-Jean Tissier,** French, 42, earned a biochemistry degree in France. He began his career with the Group after completing his student internship as a laboratory technician in Morocco. He stayed there for ten years, working first as head of Quality Control and then of Quality Assurance. In 2000, he took over as production manager at the Cypres and Zenata sites. Back in France in 2002, he went to work at the Quétigny site, which produces Plavix and Stilnox, as Assistant Head of Production. He was transferred to Mexico in 2004 where he has been Industrial Site Manager for three years.

• **Paul-Alan Dollinger,** British and French, 40, has a degree from the School of Pharmacy in Lyon and received an MBA from ESSEC Business School in France in 1994. He joined the company in 1993 as Pediatric Vaccine Junior Product Manager within the International Marketing Department. He advanced within these teams and then was employed as Travel and Endemic Product Manager and as Adult Vaccine Product Manager. Eventually he became Adult and Travel Vaccines Group Product Manager in 1996.
With the goal of becoming country manager, he spent a year in California as a medical sales representative, followed by six months in Swiftwater, Pennsylvania, as Key Account Manager. He became country manager in the Philippines in 2000, and held that position for four years. Since 2004, he has been country manager in Turkey, one of our strategic markets.

TRAINING

In 2006, the widespread implementation of employee development reviews made it possible to more effectively identify individual and group needs, and to initiate adapted job skill development.
During 2006, approximately 87,000 people (80,000 in 2005) benefited from sanofi-aventis training initiatives. The number of hours devoted to training worldwide represents an average of 48 hours of training per employee.
At the Group level, three international managerial training programs now make it possible to satisfy some of the identified needs:
• Discover: to accelerate the integration of managers who recently joined the Group;
• Explore: to help young international managers acquire the skills considered essential by the Group;
• Perspectives: to offer top sanofi-aventis managers the chance to develop their leadership skills and consult with the Executive Committee on strategic Group issues.

These programs can be broken down by country but they are chiefly supplemented by specific management programs at the country and functional level, as well as by personalized technical training: Managing Across Cultures, Production Managers, etc.
Sanofi-aventis received the ASTD award (American Society for Training and Development), which rewards companies that excel in employee training and development.

SAFETY AND HEALTH IN THE WORKPLACE

Our policy is designed to continually assess occupational injury and health risks faced by our employees in the workplace, to take the appropriate preventive and protective measures, and to inform our employees and train them so that they can ensure their own health and safety.

SAFETY

The Group ensures safety for all employees by preventing accident risks in the workplace, irrespective of their role within the Group: full-time employees, temporary employees and contractors working at our sites.
Our occupational safety principles aim to reduce accident risks in the workplace by implementing and maintaining a prevention and protection system subject to ongoing monitoring and continuous training.

Safety results
The monthly reporting of safety results covers the entire Group, including sanofi-aventis employees, temporary employees and contractors working at our sites. Additionally, the reporting system indicates the degree of seriousness every time an accident report is filed; a complete safety report is issued to management for all functions on a monthly basis.
In 2006, the Group's lost-time occupational injury frequency rate remained the same as compared to 2005 at 2.9.
Steady performance improvement continued for chemical manufacturing, with a decrease in the frequency rate from 2.5 to 1.9.
A stabilization of the frequency rate was observed during this same period, linked to an increase in the seriousness of accidents among medical sales representatives.

Motor vehicle risk committee
Pharmaceutical Sales Operations demonstrated steady state safety results: the lost time frequency rate for occupational injuries rose from 3.6 to 3.7 between 2005 and 2006. However, we observed an increase in serious accidents involving medical sales representatives, with five accidents resulting in fatalities (four of which occurred on the road). As a result, a motor vehicle risk committee was created with the support of the Executive Vice President of Pharmaceutical Operations. In 2006, the committee defined the Group rules concerning road safety, which will be made available in 2007.
Additionally, the Group signed the European Commission charter on road safety.

Improving sub-contractor safety
In view of the increase in lost-time occupational injuries involving sub-contractors, which somewhat related to the increase in construction projects at our sites, specific audits were conducted and led to the development of a sub-contractor safety program. This program was implemented at the Group's vaccine sites and research centers.
This program includes five points: consideration of the safety factor when choosing a sub-contractor, sub-contractor accommodations at the sites, analysis of intrinsic risks specific to the contractors work and related protective measures, contractor work site audits, inspections and, finally, review of annual results.

This program extends far beyond the already very stringent regulations in this area. It demonstrates the Group's commitment to ensure the safety of all employees working at its sites, whether they are employed by the Group or by a contractor.

Learning Experience Reports (LERs) and HSE culture training
The purpose of learning experience reports is to improve Group HSE performance by taking advantage of and sharing knowledge through the analysis of events and the exchange of experiences.
Major incidents and accidents occurring at the Group's sites are analyzed by those involved at the local level and are consolidated at both the function and Group level. Several hundred events are thus analyzed on an annual basis for all industrial and research sites. Learning Experience Reports (known as PRESS sheets) are distributed to the entire site HSE network after significant events analysis by the Corporate HSE Department, and may lead to the modification of internal standards.

Sanofi-aventis and the Cindynique Center of the École des mines in Paris (French Institute of Technology) have been working together on risk prevention and HSE performance improvement studies since 1999.
Moreover, a module adapted to major HSE risks involved in pharmaceutical manufacturing was developed in 2006 and will be presented to line management in 2007.

2007 Goal

Prepare training on preventing risk of anoxia (death from lack of oxygen).

Level of sanofi-aventis workforce training by educational attainment of country involved

	Distribution of total workforce/zone	Number of hours of training/ employee	Percentage of total workforce trained/zone
Country with high level of education	78.4%	43.0	86.4%
Country with upper level	8.0%	33.3	82.4%
Country with medium level	8.2%	27.3	85.3%
Country with low level	5.4%	31.9	69.7%

Measurement of educational attainment related to individual receptiveness to ongoing training and capacity building.

Source: Maplecroft's Educational Attainment Index (EAI) 2007 – 163 countries

Definition of zones per attainment level: high level (7.5 – 10.0), upper level (5.0 – 7.5), medium level (2.5 – 5.0), low level (0.0 – 2.5).

International managerial training programs

	Discover	Explore	Perspectives
Number of participants	146	78	54
Nationalities	44	21	11
% of women	42%	45%	35%

Consolidated lost time frequency rate for occupational injuries by function

Frequency rate of injuries with lost time (1)	2004	2005	2006
Scientific & Medical Operations	1.6	1.6	2.0
Industrial Affairs	3.1	2.8	2.6
• Chemical manufacturing	2.9	2.5	1.9
• Pharmaceutical manufacturing	3.0	2.8	2.8
• Distribution	5.7	3.1	3.6
Pharmaceutical Operations	3.4	3.6	3.7
Vaccines	1.1	1.4	1.6
HQ and corporate functions	1.2	1.3	1.3
Sanofi-aventis total	2.8	2.9	2.9
Temporary employees (2)	–	2.1	2.1
Contractors	7.3	7.2	4.4

(1) Number of injuries resulting in lost time of one day or more within a 12-month period, per million hours worked (HSE data).
These data are consolidated for all of the Group companies.
Harmonization of methodologies for calculating the number of hours worked continued in 2006. Methodological differences observed have no significant impact on the injury frequency rate.
For non-mobile personnel, injuries occurring during the home-workplace commute are not included in this indicator. However, they are included for medical sales representatives, in accordance with the reporting rules defined by the Group.
In the case of additional injuries not yet recorded at the closure of the financial year, or if changes in the qualification of injuries are observed after the financial year has ended, the frequency rate is corrected afterwards. For example, in 2006, five additional injuries that occurred in 2005 and reported after February 15, 2006, were finally identified and taken into account. The 2005 frequency rate was corrected and adjusted to 2.9 rather than 2.8.
(2) 2004 data include results concerning temporary employees in the sanofi-aventis results.

Change over time in the lost-time frequency rate of occupational injuries

Production site in Kawagoe (Japan).

This training program is the result of internal incident and external accident analyses and is offered to potentially involved individuals at all of the sanofi-aventis' industrial, research and vaccine sites.

HSE audit of chemical development activities
Chemical development activities are unique in that they involve complex chemical syntheses with no currently defined process safety parameters.

In order to improve risk control of pilot processing units in this sector, an in-depth study and audit program was implemented in 2005-2006 at all of the research centers where chemical development activities take place.

The identified strengths and weaknesses vary according to site, making it possible to share and learn from other experiences and develop a level of good practices that all units can strive to achieve.

HEALTH

The Group is committed to safeguarding the health of each employee by limiting exposure to physical, chemical and biological risk factors in the workplace.

Risk control and prevention
Chemical and biological risks linked to handling substances at Group sites are assessed by two Group committees:
• COVALIS, which classifies chemical and pharmaceutical substances and defines threshold values and exposure ranges to be observed in the workplace.
• TRIBIO, which assesses and classifies all biological agents to which Group employees may be exposed, according to several criteria (pathogenicity, biological stability, means of transmission, infection routes, existence of a preventive or effective treatment).
Employees are informed and educated as to the type of risks and means of prevention, personal protective equipment and personal hygiene.

In order to constantly decrease the occupational exposure level, each site implements industrial hygiene programs on the basis of these standards and local regulations, while emphasizing Group protection measures as opposed to personal protective equipment.
Since January 2006, a corporate industrial hygiene laboratory was established to supplement these measures, making it possible to confirm or validate upstream that exposure is in compliance with internal reference values or the values defined by national or international regulations.
This laboratory is responsible for:
• quantifying individual exposure to chemical agents;
• validating the technical control of industrial processing facilities and laboratories at the sites.

2007 Goal

Effectively analyze 90% of the samples received.

Occupational illnesses
The reporting and recognition of occupational illnesses are highly dependent on local regulations. Variations between countries may be due to the type of illnesses, their importance and their link to occupational exposure, as well as to reporting procedures (by the employee or by the company). As a result, there is wide disparity between countries and an underestimation of work-related diseases.

Illnesses and their causes were broken down into categories according to the CEFIC (European Chemical Industry Council) classification system.
Several occupational illnesses may be stated for an individual, especially if they involve different body parts.

The 2006 occupational illness data provided involves those that are reported to national health authorities, in compliance with local regulations, as well as those under review (as to whether or not the reported information is an occupational illness) by public health authorities. Illnesses reported by retired employees linked to occupational exposure at a Group site, and of which we were aware, are also included in the data below.
Musculoskeletal disorders involving the upper extremities(1) represent 75% of the occupational illnesses reported by the Group in 2006 and are mainly related to vaccine and pharmaceutical manufacturing and, to a lesser extent, research, pharmaceutical operations and administration. Cancers account for 7% of the occupational illnesses reported in 2006.However, for the incidences of cancers, the implications of occupational exposure have not yet been confirmed due to the time required for an accurate assessment.
Due to the extended time-lapse prior to onset of this type of illness, extreme care must be taken to control exposure, and records must be maintained for long periods of time.

(1) Disorders of the upper extremities: tendonitis of the shoulder, disorders of the elbow, wrist, hand and thumb.

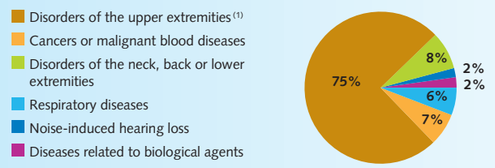
Despite geographical disparities in reporting procedures, data analysis makes it possible to develop prevention programs and manage the consequences of past exposures.

2007 Goal

Develop a sanofi-aventis standard for the prevention of musculoskeletal disorders.

Guaranteeing employee security on business trips
A security procedure for employees on business trips in countries at risk make it possible to locate the traveler in order to provide assistance whenever necessary. An executive security committee meets four times a year to monitor the risks linked to political instability or to specific events. Correspondents in each country provide information to ensure program implementation and maintenance. In 2006, during the events in Lebanon, the Group evacuated 50 employees to France, the United States, Jordan and Syria.

Occupational Illnesses – 2006



Causes of Occupational Illnesses

Limiting environmental impacts

Sanofi-aventis has longstanding principles regarding emission reduction. Our approach today is more comprehensive, enabling us to limit our impact on the environment and protect our planet. In addition to minimizing local emissions, these principles include greenhouse gas reduction, our environmental product life cycle and the preservation of natural resources and biodiversity.

PROTECTION OF THE ATMOSPHERE

MAJOR IMPACTS

The Group's emissions that have a worldwide impact on the atmosphere are greenhouse gases (primarily CO_2, impacting on climate change) and a limited amount of ozone-depleting substances (ODS).
At the local level, the principle impact on air quality is due to volatile organic compounds (VOC) and, to a lesser degree, nitrogen and sulfur oxides (NOx and SOx, respectively).

MEETING KYOTO OBJECTIVES

The Kyoto Protocol aims to reduce greenhouse gas emissions by 5% over the period 1990-2008. To meet this objective, the European Union has implemented an emission trading scheme for allocating CO_2 quotas and for emission exchange rights since January 1, 2005. It includes two periods, 2005 to 2007, and 2008 to 2012. During the second period, the number of quota allocations has been reduced by country. The quota savings from the first period cannot be carried forward to the second.
Ten sanofi-aventis European industrial sites are directly affected: in 2006, they emitted 142,720 tons of CO_2 for an allocation of 229,000 tons. Between now and 2008, four sites will no longer be within the scheme and a new site will be added.

The choice of indicators, reporting guidelines and methodological limits and specifications are described in the methodological note on pages 76-78.

IMPACT ON AIR QUALITY

Volatile Organic Compounds (VOC) have an impact on air quality. They are generated from solvent usage during active ingredient production and pharmaceutical manufacturing. VOCs may have a moderate health impact and contribute to higher ozone levels during warm, sunny periods. The quantities emitted are steadily decreasing down to 3,185 tons in 2006 a decrease of 10% normalized by sales. During 2005-2006, the Group invested ten million euros at Vitry and 22 million euros at Aramon for facilities to control VOC emissions. These two facilities alone were responsible for a 130-ton VOC emission reduction, in other words, a reduction of 4% at the Group level.

Goal:
Reduce sanofi-aventis' total VOC emissions by 15% between 2006 and 2008.

Nitrogen oxides (NOx) and sulfur oxide (SOx) are mostly generated by the combustion of natural gas and fuel oil in boilers.
We have been able to reduce emissions thereby greatly limiting the impact on air quality by upgrading burners, using less fuel oil and more effectively desulfurizing burners.
See data on page 75.

PROTECTING THE OZONE LAYER

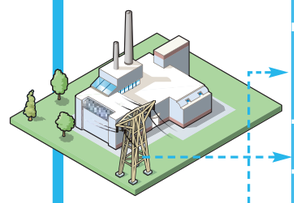
Compared to manufacturing activities where the use of Ozone Depleting Substances (ODS) is inevitable, emissions from refrigeration facilities are maintained at low levels by increasing preventive maintenance measures and modernization programs. An incident occurred at a manufacturing facility in 2005, which alone explains the peak observed that year.
In 2006, ODS emissions were of the same order of magnitude as in 2004 (2.3 CFC-11 equivalent tons).

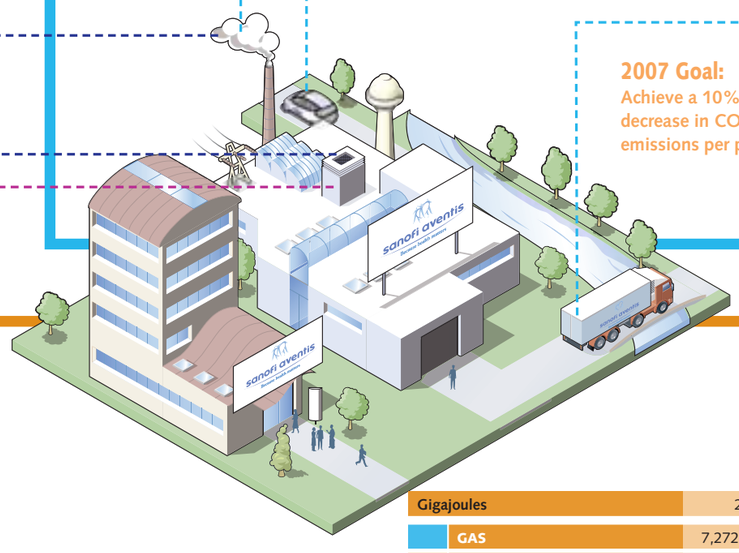
GREENHOUSE GAS EMISSIONS

The Group's activities directly generating CO_2 emissions involve on-site energy transformation and consumption and, indirectly, the purchase of energy (electricity, steam, brine), drug transport and pharmaceutical sales fleet vehicles.
Generally speaking, pharmaceutical manufacturing produces relatively low emission levels. For example, they emit, five times less than the agri-food sectors and eighteen times less then the chemical sector, but also twice as much as the distribution sector normalized by sales, according to the French source, "Les entreprises face à la contrainte carbone" (Corporations facing Carbon Challenge) (Deloitte, 2005).
The reduction of greenhouse gas emissions is nevertheless an operational challenge for both environmental and economic reasons.
The table below presents the various actions implemented that sanofi-aventis has put in place.

DIRECT AND INDIRECT CO_2 EMISSIONS, EXCLUDING DRUG TRANSPORT

	Total tons emitted in absolute value				Performance per activity (absolute value/sales)		Actions	2008 Goals
	2004	2005	2006	Change vs 2005	2006	Change vs 2005		
DIRECT	413,378	416,833	401,862	– 4%	14 kg/k€	– 7%	• Transition from coal/fuel oil to gas • New boilers • Optimized operation	– 12% per unit produced
INDIRECT	493,603	567,783	575,373	+1%	20 kg/k€	– 3%	• Facility design • Initiatives targeting suppliers	Stable per unit produced
MEDICAL SALES CALLS (ESTIMATED)	260,000	255,000	270,000	+6%	9.7 l/100 km	– 7%	• Replacement of less fuel efficient vehicles with more fuel efficient ones, but an increase of pharmaceutical sales visits	– 7.5% CO_2 emissions





DRUG TRANSPORT

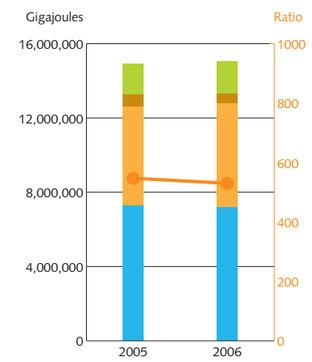
	kg CO_2/pallet		
	2005	2006	Change
• INTER-SITE: EUROPE	48.7	44.7	– 8%
• REST OF THE WORLD	ND	ND	ND

2007 Goal:
Achieve a 10% decrease in CO_2 emissions per pallet.

ENERGY CONSUMPTION

For the same cost, the preference is to utilize cleaner energy sources: coal has not been used since 2004.
Since 2005, a second cogeneration facility in Toronto (Canada), two VOC control systems with energy recovery in Neuville and Vitry, and a VOC and liquid solvent co-incineration system in Aramon (France) – have been in operation and have concurrently contributed to a 1% reduction in the total quantity of gas consumed, in spite of business growth, chiefly for vaccines.
The percentage of sanofi-aventis' renewable electricity consumption (generated by hydroelectricity, solar, geothermal, wind and biomass energies) is estimated at 15%.
Actions taken at various sites to promote the use of renewable energies includes, the wind power project in Alnwick (UK), the installation of photovoltaic sunshade panels in Ambarès (France), and of solar thermal collectors in Montpellier (France) and hot water production in Suzano (Brazil).

Gigajoules	2005	2006
GAS	7,272,833	7,185,603
ELECTRICITY	5,322,516	5,605,027
LIQUID HYDROCARBONS	673,868	537,861
OTHER (STEAM, BRINE)	1,661,353	1,719,867
TOTAL	14,930,570	15,048,358
RATIO (MJ/k€)	547	530

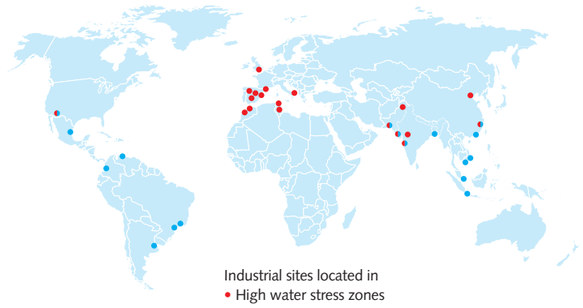


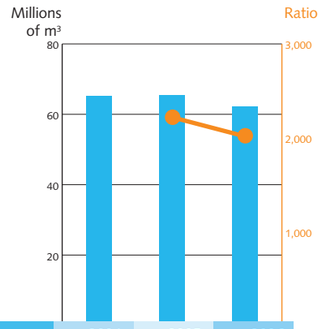
WATER AND WASTE MANAGEMENT

WATER CONSUMPTION

Water utilized during manufacturing (especially fermentation) and for cooling purposes (cooling without product contact) is obtained primarily from available aquifers and rivers.
In keeping with preceding years, new closed-loop cooling equipment facilities, as well as specific operational activities carried out in 2006, led to an additional 5% reduction in water consumption. Other projects are currently being studied.

Aquatic biodiversity: sensitive zones
Eighteen industrial sites are located in high water stress zones.
In addition, 18 sites are located in zones that are sensitive with respect to aquatic biodiversity.
The map illustrates these locations.



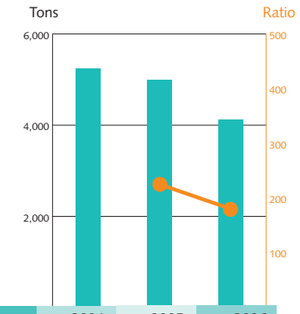


Millions of m³	2004	2005	2006
SURFACE WATER	31	30.8	29.8
FROM WATER TABLE	26.3	25	22
FROM WATER SUPPLY	7.9	9.4	10.3
TOTAL	65.2	65.3	62.1
RATIO (l/k€)		2,395	2,191

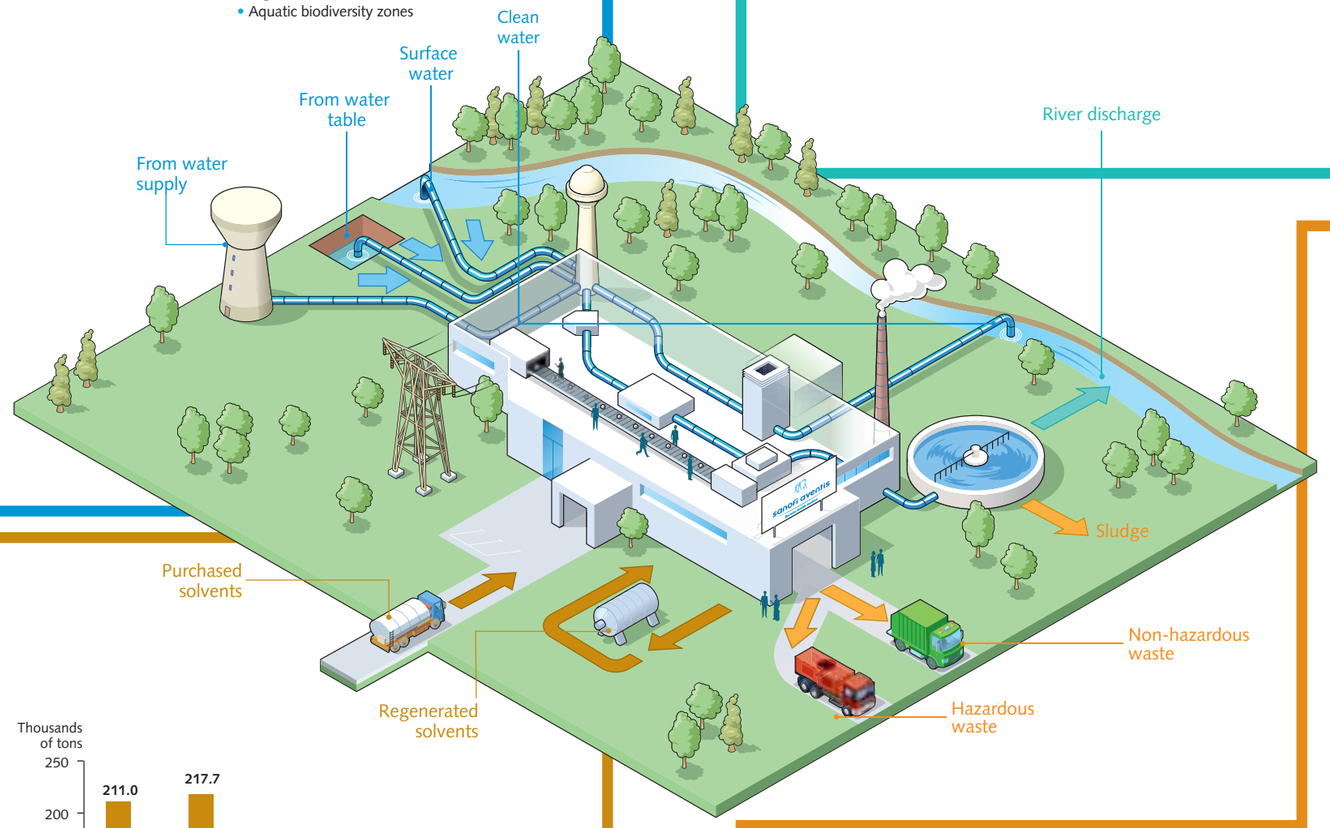
WASTE WATER DISCHARGE

COD (Chemical Oxygen Demand)
Industrial effluent waste is controlled either in the Group's wastewater treatment and/or at municipal treatment plants, in accordance with operator agreements. The data presented corresponds to effluents after internal and/or external treatment.
The connection of the Vitry site to a new external wastewater treatment plant (WWTP) with very high capacity is largely responsible for the decrease in total COD (approximately 540 tons). All wastewater treatment plants, regardless of type – membrane bioreactors, conventional biological or physio-chemical – constantly undergo upgrades. The Group's environmental laboratories participate in optimizing biological treatment plant operations.

Nitrogen and Total Suspended Solids (TSS)
Nitrogen and TSS found in industrial effluents are also characteristic of the "environmental load" and the treatment system's effectiveness before discharge. The decrease in approximately 25% of the TSS and nitrogen observed between 2005 and 2006 is also largely due to the new connection to the WWTP at the Vitry site.
See detailed figures, page 75.



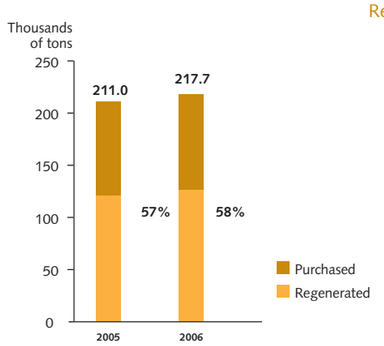
Tons	2004	2005	2006
COD	5,235	4,987	4,111
RATIO (g/k€)		182	145



SOLVENT CONSUMPTION

Among raw materials, solvents, primarily used for active ingredient production, represent the resources with the greatest potential impact on the environment. The "Clean and Safe Design" working group has drafted a set of recommendations. Criteria for the selection or replacement of these materials include reduction of the risks they may pose to safety, health and the environment.
Solvents used in the production process are either purchased ("consumed" quantities) or regenerated at sanofi-aventis sites. Process optimization, regeneration (when possible) and, thermal conversion, are encouraged to decrease the quantity of non-renewable raw materials consumed.
Several solvent recycling projects aimed at reducing the quantities consumed annually are underway.

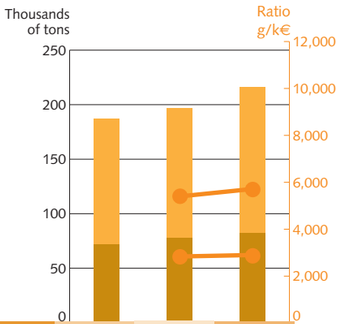
Goal:
Increase the percentage of solvents recycled in processes to 63% by 2009.



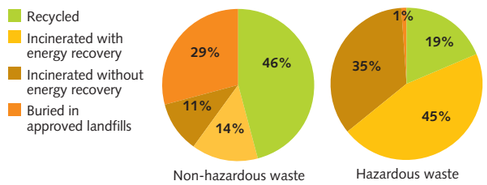
WASTE MANAGEMENT

Two sanofi-aventis sites convert their own liquid ammonia and potassium waste. The corresponding tons are not included in this report.
Hazardous waste processing, either by recycling or reprocessing, or *via* energy conversion, applies to approximately 65% of the quantity produced.
A small percentage (0.7%) is still sent to industrial landfills when the infrastructures necessary to process waste by incineration are not available.
In 2006, the operation of biological treatment facilities was affected by exceptional circumstances, leading to the shipment of almost 10,000 tons of effluent allocated for treatment. This accounted for the increase hazardous waste produced that year.
Today, approximately 50% of non-hazardous waste is reused or recycled. Moreover, almost 55% of incinerated waste is thermally converted.

At one site, 2,700 tons of sludge from sedimentation ponds was eliminated.
This one-time event contributed to an overall 6% increase in non-hazardous waste between 2005 and 2006.



Thousands of tons	2004	2005	2006
HAZARDOUS WASTE	116.0	119.6	133.5
RATIO (g/k€)		4,386	4,705
NON-HAZARDOUS WASTE	71.6	77.4	82.3
RATIO (g/k€)		2,837	2,900



The choice of indicators, reporting guidelines and methodological limits and specifications are described in the methodological note on pages 76-78.

THE ENVIRONMENTAL IMPACT OF PHARMACEUTICALS

ECO-DESIGN OF DRUGS

A goal shared by research, development and production
Sanofi-aventis is committed to making its processes safer and more environmentally friendly. It upholds this commitment by addressing issues related to health, safety and environment throughout the chemical and biochemical drug development process, and by increasing the efficiency of utilized raw materials.
• As of the first stages of product development, chemists and biochemists are encouraged to use reagents and solvents posing the least HSE hazards possible. To accomplish this, compounds used at several research centers are rated on a scale of 1 to 5 in each of the areas of health, safety (explosiveness, flammability, etc.) and environment.
• Throughout the development process, these teams make decisions about the processes used on the basis of economic and HSE criteria in order to reduce, as much as possible, the HSE impact of synthesis and biosynthesis processes implemented during production.
• Even when an active ingredient is in the industrial production phase, industrial development teams continue to optimize synthesis and biosynthesis routes. These modifications can considerably limit the HSE impact on production.

Finding ways to obtain better yields sometimes makes it possible to combine economic and environmental benefits since they generally go hand-in-hand with a decrease in the quantities of waste produced. However, the choices are complex because better yields often involve the use of highly reactive compounds that may be hazardous to health or for the environment.

PROTECTING BIODIVERISTY

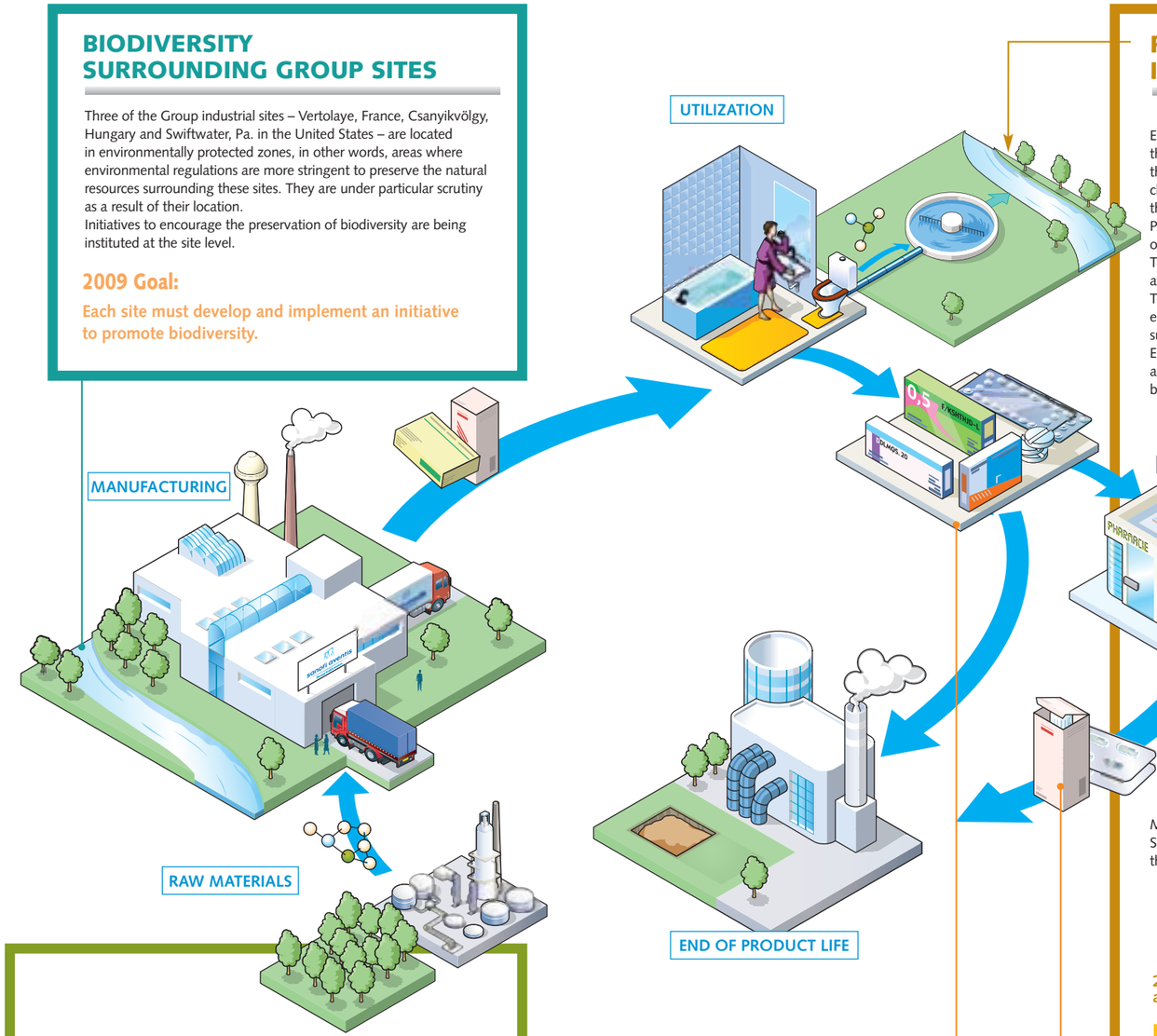
Biodiversity, defined as the conservation and development of ecosystems that surround our sites, as well as the controlled management of active ingredients derived from plant or animal extracts, applies to the Group on three different levels:
• confirming the source of natural plant or wild animal species for use in research projects to discover new drugs;
• respecting the biodiversity surrounding our sites;
• addressing environmental impact after patient use of our products (covered in the previous section).

BIODIVERSITY SURROUNDING GROUP SITES

Three of the Group industrial sites – Vertolaye, France, Csanyikvölgy, Hungary and Swiftwater, Pa. in the United States – are located in environmentally protected zones, in other words, areas where environmental regulations are more stringent to preserve the natural resources surrounding these sites. They are under particular scrutiny as a result of their location.
Initiatives to encourage the preservation of biodiversity are being instituted at the site level.

2009 Goal:

Each site must develop and implement an initiative to promote biodiversity.



THE USE OF NATURAL EXTRACTS

Several of the active ingredients in the Group's major drugs are derived from natural plant or animal extracts. For example, Taxotere®, an oncology drug extracted from the needles of yew plants; Artesunate® an antimalarial drug derived from wormwood, or Lovenox®, an anticoagulant extracted from pigs. These products are manufactured using specifically cultivated plants or animals housed in controlled breeding facilities.
The use of wild plants and animals is generally considered to be secondary and to date has not been controversial.
Sanofi-aventis participates in many discussions on this topic, specifically through LEEM (the French Pharmaceutical Companies Association) and IDDRI (French Institute for Sustainable Development and International Relations).

2007 Goal:

In research and development, a more comprehensive inventory will be carried out; an update will be included in the next report.

PHARMACEUTICALS IN THE ENVIRONMENT (PIE)

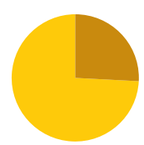
Everyone contributes to the introduction of chemical substances into the environment. The presence of these substances – which are as numerous as they are diverse (pesticides, perfumes, plasticizing agents, etc.) – represents a major challenge for society because of the disparity of available knowledge about their environmental impact.
Pharmaceuticals are no exception. The first publications reporting the presence of pharmaceutical substances in the environment date back to the mid-1970's. This phenomenon has since been confirmed for an increasing number of substances at concentrations at the ng/l level, as a result of improved analytical methods. The risk for human health is low at this concentration. On the other hand, the environmental risk cannot be ignored, especially for certain classes of pharmaceutical substances that are especially active, such as hormones, antibiotics and cytotoxins. Extensive research conducted on this topic has contributed to raising public awareness and regulatory changes. Currently an environmental risk assessment must be made for every new drug marketed in Europe and in the United States.

Regulatory environmental assessment is a relatively recent practice that evolved over time and acquired new expertise. Although new drugs are carefully scrutinized from an environmental point of view, some drugs already on the market are not because regulatory requirements were less stringent when they first appeared on the market.
The Group considers this challenge to be a priority in its commitment to sustainable development. Therefore, in addition to assessments carried out within the new drug approval process, sanofi-aventis continues to assess the environmental impact of its drugs already marketed through the ECOVAL committee, a group of environmental experts.
An environmental risk assessment is developed for each drug, taking into account:
– its estimated environmental concentration;
– its environmental fate;
– its impact on flora and fauna.

The Group participates in research conducted by the pharmaceutical industry, particularly through the activities of PhRMA (Pharmaceutical Research and Manufacturers of America).
Sanofi-aventis also initiates research aimed at detecting, quantifying and studying the fate of potential active ingredients in industrial effluents.

23 major drugs representing over two-thirds of the Group's sales have already been assessed:

- For 17 drugs, it was concluded that there was no environmental risk.
- For 6 drugs, a lack of data precludes us from drawing any conclusion about their environmental risk. Additional studies have been undertaken to obtain the necessary data.



PACKAGING

Drug packaging cannot be separated from its contents. It must protect the product by ensuring pharmaceutical-grade quality throughout the drug product's life cycle.
Packaging design, part of the drug development process, must take numerous constraints into consideration, primarily linked to the drug itself, the packaging material, regulations (i.e.: labeling information required by law on the package) and production.
Because of the environmental impact related to packaging, the Group is pursuing efforts to improve and optimize packaging taking into account the limitations mentioned above.

SOIL PROTECTION

REMEDIATION POLICY FOR CONTAMINATED SITES

Today's industrial engineering standards, the application of regulations and modern surveillance techniques make it possible to avoid most of the risks linked to soil and sub-soil contamination. Nevertheless, former industrial activities sometimes led to soil or ground water contamination underlying production facilities, within proximity of underground piping, sewer or storage systems as a result of leaks. The public tends to harshly judge past practices that lead to this situation without considering that these practices were accepted at the time due to lack of knowledge or technical means.

The resulting environmental obligations are divided into three distinct categories: monitoring and if necessary remediation works on sites that the Group currently owns or operates; monitoring and if necessary remediation works on sites that the Group still owns but that are no longer operated; and finally contribution to make safe and secure, and, if necessary, to remediate sites that no longer belong to the Group but for which it may have totally or partially acquired contractual or legal responsibilities as a result of transactions or former activities.

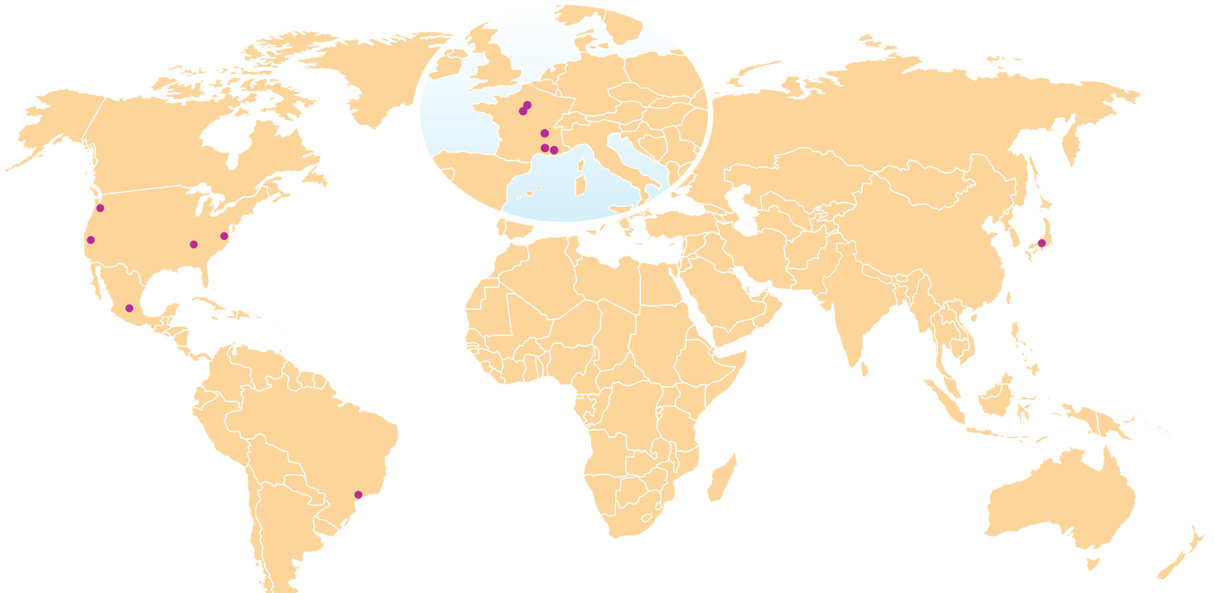
For this reason, financial provisions were established and are adjusted on a regular basis to take into account new developments that may arise.

The Group's policy entails securing these sites so that they present no unacceptable risks for employees working at them, for local residents or for the environment. Remediation activity is carried out in conjunction with the appropriate authorities, generally to authorize reuse of land for industrial or office use. Some remediation projects are allocated for possible future residential use, also in concert with the relevant authorities. In this case, the techniques used and subsequent results are subject to intense scrutiny.

The AMF (French financial market regulator, Autorité des marchés financiers) reference document and the SEC Form 20-F (which may be obtained on the www.sanofi-aventis.com website) contains information about the provision amounts and risk guarantees corresponding to past industrial activities at certain Group sites, as well as about the environmental liabilities incurred in connection with divested chemical and agro-chemical production activities.

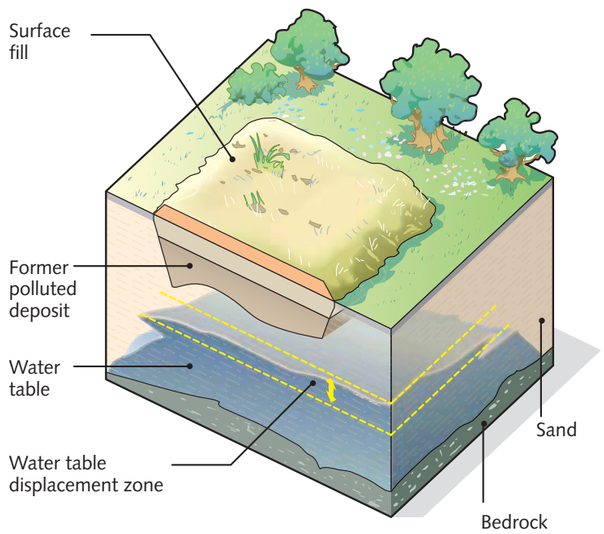
To find out more:
see the 2006 document de référence,
page 131 and SEC Form 20-F, pages 10 and 11.

Remediation sites

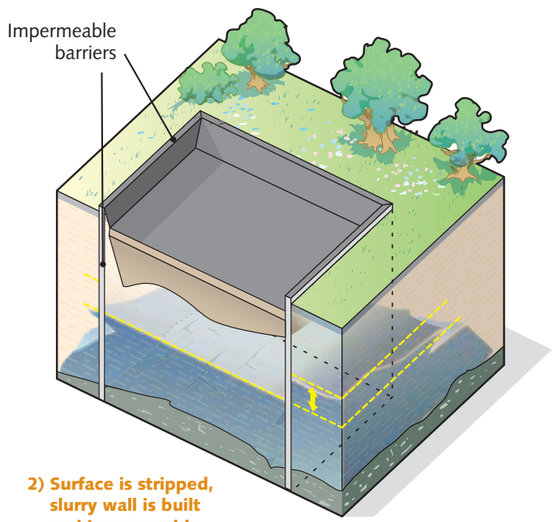


EXAMPLE OF THE REMEDIATION OF A FORMER AGROCHEMICAL SITE

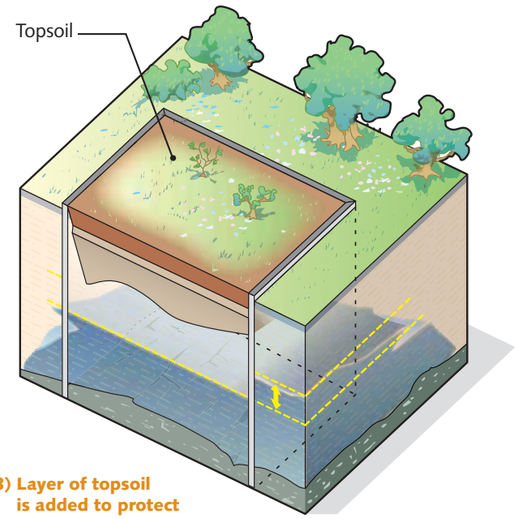
The remediation strategy aims at securing the targeted area by "encapsulating" it (creating an impermeable barrier around the perimeter of the former landfill). The purpose of this barrier is to eliminate air-borne particles and leachate from water into the sub-soil, and to thus avoid any contact with the environment.
The surface of the former landfill was stripped and a slurry wall, similar to those used for the construction of underground parking lots, was built all around the landfill, which was contaminated with lead arsenate, a fungicide used in vineyards in the past. Lastly, an impermeable membrane (used as a cap) was placed over the landfill surface to prevent rainwater seepage. A layer of topsoil was added to protect the membrane and to make it possible to plant bushes, grass, etc.



1) Initial state



2) Surface is stripped, slurry wall is built and impermeable membrane is put in place



3) Layer of topsoil is added to protect membrane

Impact on **local communities** and **economies**

Within the framework of its sustainable development policy, sanofi-aventis places special emphasis on activities providing a positive impact on local economies and communities. Going beyond regulatory requirements, it puts a strong accent on safety and local economic development. Through its responsible purchasing policy, sanofi-aventis also ensures that suppliers meet satisfactory social, ethical and environmental standards.

SAFETY FOR OUR SITES AND LOCAL RESIDENTS

PREVENTING MAJOR ACCIDENTS

Sanofi-aventis sites implement risk control methodologies based on an HSE management system. These consist of identifying procedural risks at the facilities, developing accident scenarios related to technical, organizational and/or human error, and then introducing appropriate prevention and protection measures.
Seven European sites – in Frankfurt (Germany), Budapest (Hungary) and Elbeuf, Aramon, Neuville, Sisteron and Vertolaye (France) – have been classified according to the European Seveso II directive or equivalent national regulations.
These sites undergo more stringent safety inspections because toxic or flammable materials are stored there, or due to the procedures used on site. They have specialized prevention programs and means of intervention.

PREVENTING RISKS RELATED TO THE STORAGE AND TRANSPORTATION OF HAZARDOUS MATERIALS

To control and improve operations related to the transportation of hazardous products, an exchange network consisting of Safety Transportation advisors meets on a regular basis to share and select best practices. Cross audits among sites help develop knowledge and improve employee training.

PROTECTING OUR SITES AND LOCAL RESIDENTS: CERTIFICATIONS AND AUDITS IN 2006

- 33 sites worldwide certified ISO 14001;
- 47 sites underwent an internal HSE audit;
- 26 security audits, designed to secure facilities against malicious acts, were conducted;
- 51 building projects were safeguarded during construction, rental or extensive transformations;
- 122 million euros were invested in programs with an HSE dimension.

RESPONSIBLE PURCHASING

Sanofi-aventis has adopted an active approach to sustainable development by developing an action plan to ensure that its suppliers comply with social, ethical and environmental standards.

In 2006, more than 200 sanofi-aventis purchasing employees received training on how to incorporate sustainable development principles into the Purchasing function, primarily in France, the United States and Germany.

A supplier evaluation interview program was initiated in 2006: purchasing managers who have received training in sustainable development issues meet with suppliers and discuss their corporate social responsibility (CSR) practices. In addition, this unique approach provides a forum for transparent dialogue between the company and its supplier.
Complementing this interview cycle, is a program of internal and external audits that was recently introduced, focusing primarily on raw material suppliers, as well as those for promotional items (especially in China and India). The audits are conducted with the assistance of a third party specializing in this area that assesses suppliers' social and environmental practices. Depending on the results, an improvement plan may be developed and discussed with the supplier. At the end of 2006, two pilot audits took place in China to assess the value of this approach.

2007 Goals

- Create awareness among 60% of Purchasing Function employees in over 70 countries, so that by year end 2008 100% of Purchasing employees have been trained. (i.e. more than 800 people).
- Expand the interview program to 400 suppliers, representing approximately 25% of the value of purchases.
- Include the supplier evaluation program within each purchasers' individual objectives.
- Broaden the internal and external audit process among those identified as "at risk" suppliers.
- Gradually incorporate a "sustainable development" clause into all the Group's purchasing contracts as well as specific clauses related to certain purchasing categories (computers, etc.).

LOCAL ECONOMIC DEVELOPMENT

RESEARCH, DEVELOPMENT AND PRODUCTION ACTIVITIES IN INTERCONTINENTAL COUNTRIES

Sanofi-aventis has decided to carry out certain R&D and industrial product development activities locally, and to develop production sites in various regions of the world.
This strategy meets a dual purpose by:
- making the best use of existing resources and specific sectors of expertise;
- coming as close as possible to our markets and the final consumer.

The implementation of this strategy strengthens our participation in local economic development and the transfer of skills.

Making the best use of existing resources and specific "clusters" of expertise
"There is no such thing as a small product or a small country". Each person and activity contributes to our Group's success and development. Based on this conviction, the Group strives to do the following in developing countries:
- facilitate product development that represent substantial volumes for the zone;
- develop alternative products when manufacturing of a product has been discontinued for various reasons;
- make use of specific "clusters" of product knowledge.

The recent example of Combiflam® provides the perfect illustration of this approach. The combination of ibuprofen and paracetamol, used exclusively in India in very large quantities, was until recently outsourced. The Group decided to relocate production to our Ankleshwar factory.
Similarly, sanofi-aventis developed and produced Lactacyd® (intimate hygiene soap) in Vietnam because it is widely used among women and children in Southeast Asia.
For 2006, 110 industrial development projects were underway in developing countries, including 30 that were finalized before year-end.

In the R&D sector, clinical research units are located around the world. Two new units were created recently in India and China, specifically for the cardiovascular and oncology.

THE GOA DEVELOPMENT CENTER IN INDIA

Studies for the creation of this industrial development center were initiated in August 2005. In early 2006, the necessary investment was allocated; detail studies and construction were underway.
The first building based on a pre-existing structure, will accommodate galenic and analytical development activities, which are scheduled to begin in the second quarter of 2007.
A second, new building will contain pilot manufacturing activities. It is slated to begin operation in the third quarter of 2007.
The total investment represents over 15 million euros.
Some 40 local employees will work at the center, where product development for the entire Group will take place.

Coming as close as possible to our markets and the final consumer
Ensuring that both industrial development and production activities are carried out locally in developing countries makes it possible to:
- manufacture basic medicines adapted to local and regional needs, employing local personnel;
- bring developed products to market faster because it is easier to involve various players;
- identify and develop complementary product lines corresponding to:
  – either common diseases: these are mature and basic products for which we apply the "there is no such thing as a small product" principle,
  – or diseases prevalent in these local countries such as:
    - tuberculosis in South Africa or leishmaniasis in Brazil;
    - malaria for countries in sub-Saharan Africa, with the development of a product in Morocco that combines two antimalarial drugs to combat resistance acquired by the infectious agents.

To support this activity in the world excluding Europe, the United-States, Canada and Japan. Sanofi-aventis also transfers production to these countries from production sites located in industrialized nations. An excellent illustration of this is the transfer plan for "red products" (red being the color of the active ingredient) to fight tuberculosis.

Transfer of "red products" from Anagni (Italy) to Waltloo (South Africa)
Tuberculosis affects approximately 18 million people worldwide, including 500,000 just in South Africa. The disease also hits hard in South Africa's neighboring countries.

Sanofi-aventis' production of rifampicin-based drugs to treat tuberculosis, called "red products" due to the color of active ingredient, is located at different sites; the two primary sites are Waltloo, South Africa, and Anagni, Italy. Waltloo represents approximately 55% of current production and Anagni 35%.
In 2006, the company decided to transfer all production from Anagni to Waltloo over the next few years.

In addition to bringing production closer to the areas where the product is used, this transfer offers a three-fold advantage because it:
- reduces the production cost for one treatment by about 35%, in order to make it affordable to as many patients as possible;
- strengthens the site's existing expertise regarding tuberculosis products;
- safeguards the Waltloo site by increasing manufacturing activity.

Many different steps will be necessary to complete this transfer in order to:
- harmonize the various formulations existing today by country, thereby reducing their total number;
- oversee the industrial development of these formulations, of which most will be new for the Waltloo site;
- submit the registration dossiers for the new formulations and the production processes for each country where the product will be marketed;
- obtain the corresponding authorizations before starting to manufacture the transferred products.

DEREK MAREE,

Director of the Waltloo site in South Africa

Local production is truly beneficial
This transfer is of course very good news for sanofi-aventis employees, but also for South Africa. Manufacturing these products is above all a new challenge and a new motivation for the workforce as a whole.
It will also have a beneficial social impact because of new investments and recruitment ensuring a bright future for Waltloo.
Government authorities have been very receptive to the Group's commitment to reinforcing access to these innovative medicines.
It is a 'win-win' strategy!

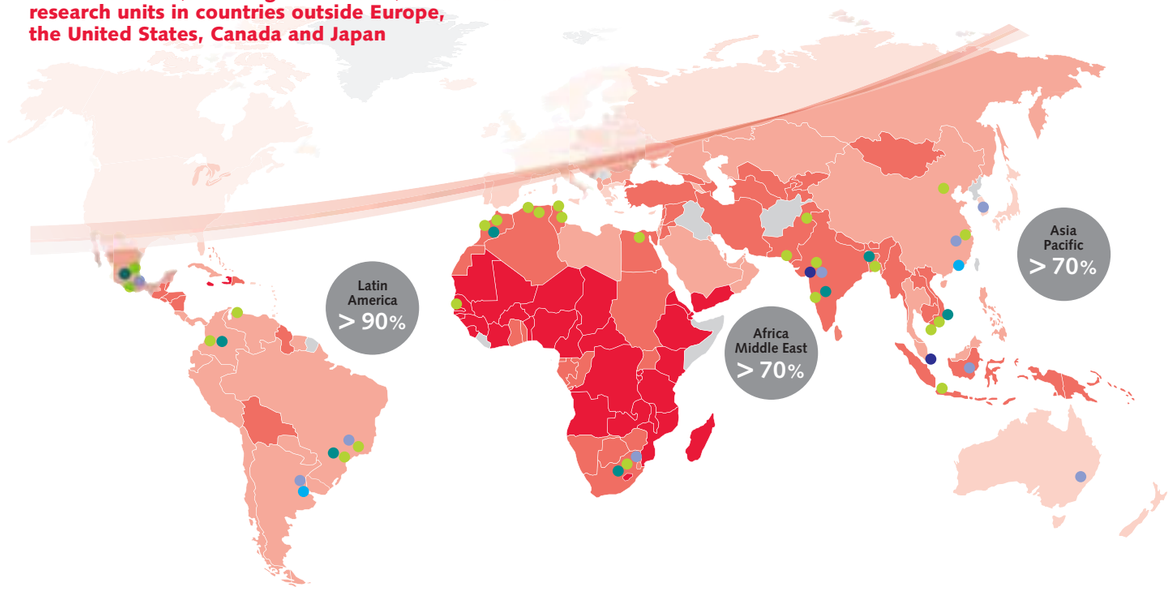
The transfer of this activity will not have a negative impact for the Anagni site: first, because it is not a major product there and second, because production equipment is old and consumes a large amount of energy requiring replacement in the near future.

Allowing access to medicines for as many people as possible is a key component in sanofi-aventis' policy. Locating Clinical Research Units, Industrial Development centers, and production sites in developing countries all contribute to reaching this goal.
Also, using diversity as a source of creativity, innovation and performance, which are all Group values has a significant impact on local communities: the development of skills, jobs and the economy.
All the 27 industrial sites world-wide, excluding Europe, United States, Canada, Japan, and Goa, India work exclusively to supply regional markets.

2007 Goal

A 4% increase in production volumes at sites located in developing countries.

Industrial sites (excluding distribution) and clinical research units in countries outside Europe, the United States, Canada and Japan



(1) See methodological note pages 76-78.

DEVELOPING COMPETITIVENESS IN EUROPE

Local economic development
Participating in the economic development of areas where the Group operates is one of sanofi-aventis' responsibilities, whether by supporting employee projects (through the business start-up unit) or through our subsidiary Sopran (Society for the Promotion of New Activities), whose role is to promote new businesses. Among other things, Sopran provides support to Group sites facing major restructuring. In 2006, through Sopran, the Group supported the growth of 59 businesses by helping create 511 jobs within the scope of initiatives in Romainville and neighboring towns. Additionally, in 2005, a decision was made to redeploy skills and knowledge from our subsidiary Archemis, which is located in Décines, in the Lyon region, to other sites. Based on this decision, senior management made two types of commitments:
• within the scope of an agreement with the French government, implement a job saving plan based on a Group commitment for both employees and the local area.
Internally, 100% of the former Archemis personnel found a new positions or a suitable alternative.
Externally, with the assistance of Sopran, some 20 small and medium size enterprises and industries (SME/SMIs) received significant aid to create approximately 200 jobs, including 50 created in 2006;
• the implementation of a blueprint for future restructuring, providing for full rehabilitation of the site to avoid leaving a void when activity stops. Rehabilitation, which will continue through 2007, will be based on specific techniques to minimize social, environmental and economic impacts.

For several years, the business start-up unit has been dedicated to helping Group employees who want to start their own business or acquire an existing company.

Competitive clusters
The creation of competitive clusters responds to the new industrial policy being pursued by the French government to encourage growth through innovation, combat relocation and strengthen French foreign trade.
The Group supports various initiatives in the healthcare field and shares its experiences:

• In the Île-de-France region, "Medicen Paris Région" (formerly Meditech)
The healthcare sector in the Île-de-France region boasts world-class industrial and research capacities with a number of advantages. One goal is to achieve better visibility for initiatives carried out by a large number of players and strengthen their collaboration. On the basis of very specific criteria, three therapeutic fields (diseases of the central nervous system, cancer, infectious diseases) and three "technological" fields (medical imaging, molecular and cellular medicine, and medications) were selected.

In 2006, sanofi-aventis was in charge of leading this competitive cluster and continued to be actively involved in a number of projects, specifically in the fields of oncology, molecular and cellular therapy, and the nervous system.
Additionally, in 2006, 14 projects received approval from the Medicen Board of Directors.

Goal

2007 will be the first full year of activity in which Medicen will be able to produce visible effects beyond the approval of R&D projects. A three-year plan, which is currently being finalized, will make it possible for the cluster to provide effective support for the level of innovation at life sciences businesses.

• In the Midi-Pyrénées region, the Toulouse "Cancéropôle" cancer research center
Because it has operated for many years within this region and has focused on oncology as one its research areas, it was logical for sanofi-aventis to take part in this important project.
As the showcase for the "Cancer-Bio-Health" competitive cluster launched in 2005, this center for cancer research represents both a major public health project within the scope of the French national cancer plan. It is also a solid base for the Toulouse economic diversification policy for the growing life sciences sector. Of the 4,000 people who will ultimately work at the site, more than one half will be researchers.
This cancer center is a town planning project designed to renovate the southern Toulouse area following the explosion at the AZF chemical plant in 2001. At the same time, it is part of an urban development approach. An entire section of the southern part of the city will be renovated and rehabilitated to create a site that is exemplary from three perspectives: in terms of environmental quality, economic efficiency and social development.

• In the Languedoc-Roussillon and Provence-Alpes-Côte d'Azur regions
Orphème is a competitive cluster specialized in the health sector, especially emerging pathologies such as avian flu or Chikungunya, and diseases such as malaria. Sanofi-aventis is involved *via* its Montpellier research center and its two facilities in Aramon and Sisteron. In 2006, thanks to a public-private partnership, the "Nivachick" project overseen by sanofi-aventis undertook to validate a serological diagnostic test for the Chikungunya virus and will make it possible to assess the efficacy of Nivaquine® (used in the treatment of malaria) and other potential new treatments.

• In the Rhône-Alpes region
The LyonBiopôle, a center of excellence in diagnostics and vaccines and designated global competitive cluster in July 2005, aims to take a comprehensive approach to infectious disease, from prevention, diagnosis to treatment.
This center is structured around two main areas: diagnostics/vaccines, and new therapies. Since it was founded it has been involved in some 20 projects. Sanofi pasteur is a LyonBiopôle partner for both the growth of the competitive cluster and Research and Development projects.

Operational, financial, social and environmental data

In accordance with the NRE Law, human resources and the environmental impact data for our operations published in this section were specifically reviewed by the Statutory Auditors in accordance with the relevant legislation and French professional standards. This review is intended to ensure that the provided information is consistent with the management report. Indicators identified by an asterisk (*) were the focus of more in-depth analysis, enabling the Statutory Auditors to provide an assurance specifically for these data. Their assurance statement, detailing the work they performed as well as their comments and conclusions, appears on page 79.

DATA CONCERNING GROUP ACTIVITY

With annual sales of over 28 billion and 100,000 employees working in over 100 countries, sanofi-aventis is a world leader in the pharmaceutical industry, ranking number one in Europe and number three worldwide.

PRODUCT PORTFOLIO

A DIVERSIFIED PORTFOLIO OF MEDICINES AND VACCINES

The Group's portfolio includes over 25,000 references for medicines and vaccines covering seven major therapeutic areas that address public health challenges. It includes highly innovative compounds that represent genuine therapeutic advances as well as mature and generic products.

THERAPEUTIC AREAS	INDICATIONS	PRODUCTS	2006 SALES (MILLION EUROS)	VARIATION (COMPARABLE DATA) (1)
PHARMACEUTICAL ACTIVITY				
Thrombosis	Thrombosis	Lovenox®	2,435	+12.9%
	Atherothrombosis	Plavix®	2,229	+9,6%
Cardiovascular	Hypertension	Delix®/Tritace®	977	–4.8%
	Hypertension	Aprovel®	1,015	+13.3%
Metabolic diseases	Diabetes	Lantus®	1,666	+36.9%
	Diabetes	Amaryl®	451	–33.5%
Oncology/Immunology	Breast cancer, lung cancer, prostate cancer	Taxotere®	1,752	+8.4%
	Multiple sclerosis	Copaxone®	1,069	+17.9%
	Colorectal cancer	Eloxatine®	1,693	+7.8%
Central nervous system	Insomnia	Stilnox®/Ambien®/AmbienCR™	2,026	+33.3%
	Epilepsy	Depakine®	301	–5.3%
Internal medicine	Allergic rhinitis	Allegra®	688	–49.7%
	Benign prostatic hypertrophy	Xatral®	353	+7.3%
	Osteoporosis, Paget's disease	Actonel®	351	+6.7%
	Allergic rhinitis	Nasacort®	283	+0.7%
		TOP 15 TOTAL	**17,289**	**+6.4%**
		TOP 15 TOTAL excluding the impact of Allegra® and Amaryl® in the United States	**16,890**	**+12.4%**
TOTAL PHARMACEUTICAL ACTIVITY			**25,840**	**+2.5%**
HUMAN VACCINES ACTIVITY				
		Polio-Pertussis-Hib vaccines	633	+18.5%
		Adult boosters	337	+23.4%
		Influenza vaccines	835	+27.5%
		Travel vaccines	239	+34.3%
		Meningitis & pneumonia vaccines	310	+22.0%
		Other vaccines	179	+5.3%
TOTAL HUMAN VACCINES ACTIVITY			**2,533**	**+22.7%**

(1) When we refer to the change in our sales on a "comparable" basis, we mean that we exclude the impact of exchange rate movements and changes in Group structure (acquisitions and divestments of interests in entities and rights to products, and changes in consolidation method for consolidated entities).

RESEARCH AND DEVELOPMENT (R&D)

With 15.6% of sales devoted to R&D, Group business activities are clearly focused on the long-term perspective. The average length of time invested in drug research and development is eight to ten years for a cost that currently exceeds one billion euros. R&D expenses reached 4.4 billion euros, showing an increase of 9.5%. The portfolio has undergone significant growth, with 46 projects in Phase IIb/III as of February 2007, compared to 35 in February 2006. This increase demonstrates the growing importance of Phase III clinical trials in the pharmaceuticals activity and an increase in research and development efforts for the vaccines business.

The Group continued its efforts in our seven areas of expertise. New programs were initiated in 2006, particularly involving rimonabant (prevention of diabetes and cardiovascular disease), eplivanserine (sleep disorders), amibegron (depression and anxiety), saredutant (depression and anxiety), Plavix® and VEGF Trap (oncology).

COMMERCIAL AND OVERHEAD EXPENDITURES

Commercial and overhead expenditures reached 8,020 million euros in 2006, compared to 8,250 million euros the previous year, which represents a drop of 2.8%. They account for 28.3% of sales, compared to 30.2% in 2005. Marketing and overhead expenditures decreased for the year as a whole, which is evidence of the rapid and selective adaptation of our approach.

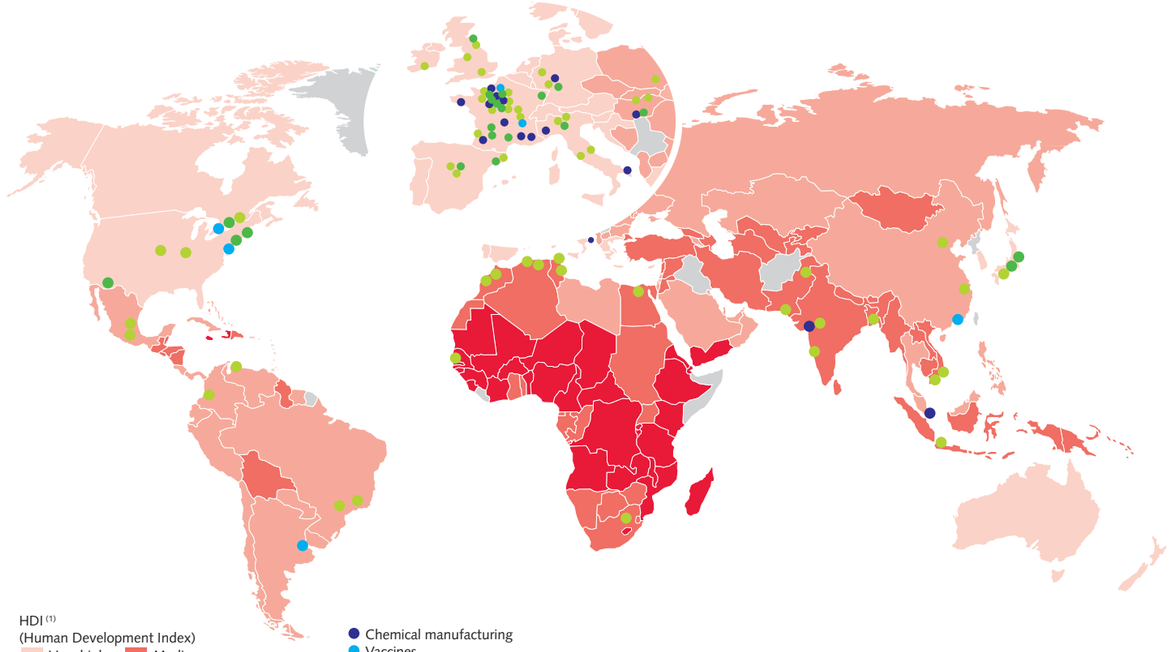
THE GROUP'S GLOBAL PRESENCE

The Group maintains its commitment to the countries in which it operates. It constantly strives to contribute to local economic and social development. In addition to its pharmaceutical operations, sanofi-aventis decided to conduct certain research and development activities locally, and to develop manufacturing and industrial development sites for its products in various regions of the world.

This strategy meets a dual purpose by:
– making the best use of existing resources and specific centers of expertise;
– coming closer to our markets and final consumers.
Collectively, the Group has more than 140 industrial, research, development and distribution sites distributed throughout some 40 countries.

The Group's commercial presence extends to all major markets, with a stronger presence in Europe, Africa, Asia/Pacific and Latin America.

Industrial and research sites in 2006
(excluding distribution)



(1) See definition in methodological note, page 78.

FINANCIAL DATA

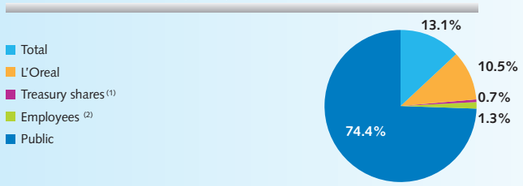
STOCK MARKET LISTINGS AND FINANCIAL REPORTING

Sanofi-aventis is listed on stock markets in Paris (Eurolist A) and New York (NYSE) and its shares are included in the following benchmark indices: France (CAC 40), Europe (DJ Euro Stoxx 50 and Pharma, FTS Eurofirst 80 and 100) and internationally (NYSE International 100 and World Leaders).
Securities are included in ethical reference indices such as the ASPI and FTSE4Good.

In compliance with regulation n°1606/2002 of the European Parliament and the Council of 19 July 2002 for the application of international accounting standards, sanofi-aventis' consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) rules as of 1st January 2005.

SHARE OWNERSHIP

Total number of shares (in %)



Total number of voting rights (3) (in %)

(1) The Board of Directors meetings of 31 May 2005 and 23 February 2006 withdrew 16,234,385 and 48,013,520 shares, respectively.

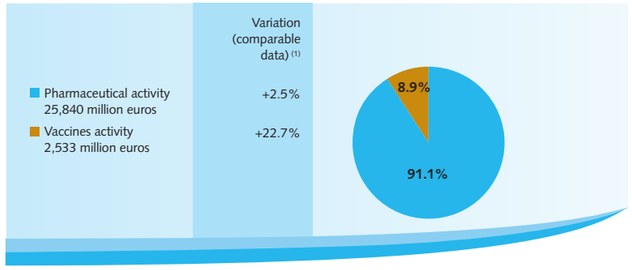
(2) Shares held through the sanofi-aventis Group Savings Plan.

(3) Based on total number of voting rights as of 31 December 2006.

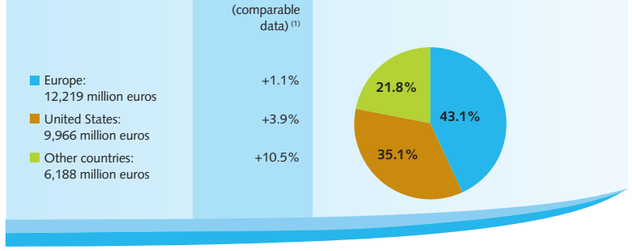
KEY FINANCIAL FIGURES

	2006	Variation (comparable data) (1)
Sales (1)	28,373 million euros	+3.9%
Adjusted operating profit	9,627 million euros	+6.1%
Adjusted net income (2)	7,040 million euros	+11.1%
Earnings per share (EPS) (3)	5.23 euros	+10.3%
Dividend proposed for 2006 fiscal year	1.75 euros per share	+15.1%
Market capitalization as of 30 December 2006	103.7 billion euros	+9%

2006 SALES BY ACTIVITY



2006 SALES BY GEOGRAPHIC AREA



(1) When we refer to the change in our sales on a "comparable" basis, we mean that we exclude the impact of exchange rate movements and changes in Group structure (acquisitions and divestments of interests in entities and rights to products, and changes in consolidation method for consolidated entities).

(2) Adjusted net income is established on the basis of consolidated net income, with the Group share (determined under IFRS) adjusted to exclude (i) the material impacts of the application of purchase accounting to acquisitions and (ii) acquisitions-related integration and restructuring costs. Sanofi-aventis believes that eliminating these impacts from net income will provide a better representation of economic performance at the Group level.

The material impacts of the application purchase accounting to acquisitions, primarily the acquisition of Aventis, are as follows:

– charges arising from the remeasurement of inventories at fair value, net of tax;

– amortization/impairment expenses generated by the remeasurement of intangible assets, net of tax;

– any impairment of goodwill.

Sanofi-aventis also excludes from adjusted income any integration and restructuring costs that are specific to the acquisition of Aventis by sanofi-aventis.

(3) Based on an average number of shares in circulation: 1,346.8 million in 2006 and 1,336.5 millions in 2005.

WORKFORCE DATA

SANOFI-AVENTIS WORKFORCE BY ZONE

	As of 31 December 2005		As of 31 December 2006	
ZONE OR COUNTRY	**2005 WORKFORCE**	**%**	**2006 WORKFORCE**	**%**
EUROPE	**55,032**	**56.6%**	**56,486**	**56.3%**
France	27,995	28.8%	28,964	28.9%
Germany	9,782	10.1%	9,911	9.9%
UNITED STATES	**16,471**	**16.9%**	**16,196**	**16.1%**
OTHER COUNTRIES	**25,678**	**26.4%**	**27,607**	**27.5%**
Africa	3,593	3.7%	3,588	3.6%
Latin America	6,284	6.5%	6,824	6.8%
Japan	2,697	2.8%	2,928	2.9%
Canada/Puerto Rico	2,319	2.4%	2,362	2.4%
Asia (excluding Japan)/Oceania	10,324	10.6%	11,333	11.3%
Middle East	461	0.5%	572	0.5%
WORLDWIDE	**97,181**	**100.0%**	**100,289**	**100.0%**

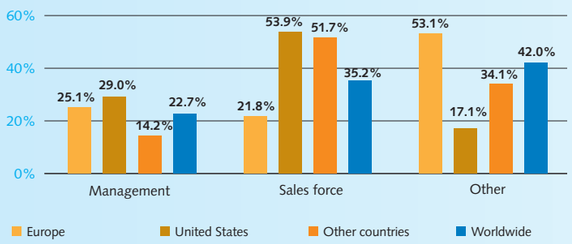
In 2006, workforce data in the CIS (Commonwealth of Independent States) that were previously included in Middle East/Central Asia were integrated into Russia. 2005 data were reconstituted based on a comparable scope.

WORKFORCE CHANGES IN 2006

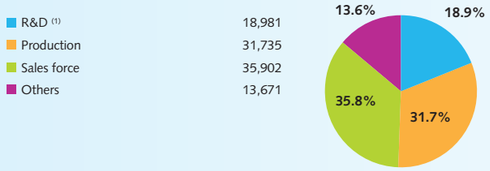
	As of 31 December 2005	As of 31 December 2006	Net change in 2006
EUROPE	**55,032**	**56,486**	**+1,454**
UNITED STATES	**16,471**	**16,196**	**–275**
OTHER COUNTRIES	**25,678**	**27,607**	**+1,929**
WORLDWIDE	**97,181**	**100,289**	**+3,108**
Pharmaceutical activity	88,483	90,481	+1,998
Vaccines activity	8,698	9,808	+1,110

In 2006, workforce data in the CIS (Commonwealth of Independent States) that were previously included in Middle East/Central Asia were integrated into Russia. 2005 data were reconstituted based on a comparable scope.

Sanofi-aventis workforce worldwide by job category (% of total)



Sanofi-aventis workforce by function



(1) Including industrial development and medical /regulatory personnel in subsidiaries.

HUMAN RESOURCES DATA

	DEFINITION	UNIT OF MEASUREMENT	2004	2005	2006	VARIATION 2005-2006
Total workforce	Workforce as of 31 December	Total number of PC and FTC employees	96,439	97,181	100,289*	+3.2%
PC workforce	Group employees with a permanent contract (PC)	Total number of PC employees	93,496	93,463	96,012	+2.7%
FTC workforce	Group employees with a fixed-term contract (FTC)	Total number of FTC employees % of PC employees	2,943 3.1%	3,718 4.0%	4,277 4.5%	+15.0%
Workforce by category	Group employees by job category	% of managers in total workforce % of sales force in total workforce % of others in total workforce	18.9% 34.1% 47.0%	20.9% 35.5% 43.6%	22.7% 35.2% 42.0%	+12.3% +2.5% –0.6%
Workforce by gender	Male and female Group employees	Number of women Number of men	43,860 52,579	44,230 52,951	46,241 * 54,048 *	+4.5% +2.1%
Gender equity		% of women in total workforce % of men in total workforce	45.5% 54.5%	45.5% 54.5%	46.1%* 53.9%*	
Use of temporary employees		Number of temporary employees on full-time equivalent % compared with PC workforce	6,118 6.5%	6,481 6.9%	5,441 5.7%	–16.0%
Recruitment	Hired on permanent contracts	Number of employees hired on permanent contracts	6,670	8,785	12,864	+46.4%
Recruitment	Hired on fixed-term contracts	Number of employees hired on fixed-term contracts	2,866	3,909	3,565	–8.8%
Departures	Group PC departures	Number of PC terminations	9,325	9,648	10,315	+6.9%
Departures	Group FTC departures	Number of FTC terminations	2,286	2,239	3,006	+34.3%
Dismissal	Dismissals due to personal reasons or redundancy	Total number of dismissals for personal reasons for redundancy	3,436	4,396 1,188 3,208	3,548 1,734 1,814	–19.3% +46.0% –43.5%
Average age	Average age of PC employees	Number of years	40 years 4 months	39 years 8 months	39 years 10 months	
Average seniority	Average seniority of PC employees	Number of years	11 years 10 months	10 years 8 months	10 years 6 months	
Working hours	Mean theoretical number of hours worked per year in France	Number of hours	1,554	1,561	1,547	–0.9%
Employees trained (1)	Employees participating in at least one training course	% of workforce Global France	 71.4% 81.6%	 82.3% 89.0%	 85.2% 81.6%*	 +6.8% –5.2%
Hours of training (1)	Mean time spent in training for employees participating in at least one training course	Mean number of hours spent in training	46 hours	55 hours	48 hours	–12.7%
Absenteeism (2)	Days of absence due to sickness, occupational or commuting accidents, maternity and other	Number of days absent in France		321,551	273,283	–15.0%
Injuries	Consolidated frequency rate within the Group, for all Group employees	Number of injuries resulting in lost time of one day or more within a 12-month period, per million hours worked	2.8	2.9	2.9*	0%

(1) Includes all data for employees receiving training during the year, including those who were no longer with the Group as of 31 December 2006.

(2) 2005 absenteeism data do not include absences authorized by the company (unpaid leave, parental leave, sabbatical, leave to create a business, family reasons, notice-period leave not taken). Authorized absences represented 76,202 days in 2005.

In accordance with the NRE Law, part of social and HSE data published in these tables was specifically reviewed by the Statutory Auditors in accordance with the relevant legislation and French professional standards, intended to ensure that this information is consistent with the management report.

* Indicators identified by an asterisk (*) were the focus of more in-depth analysis, enabling the Statutory Auditors to express an assurance specifically concerning these data. Their assurance statement, detailing the work they performed as well as their comments and conclusions, appears on page 79.

ENVIRONMENTAL IMPACT DATA FROM OPERATIONS

	DEFINITION	UNIT OF MEASUREMENT	2004	2005	2006	VARIATION 2005-2006
Water	Water consumption	m^3	65,237,839	65,329,818	62,154,474*	–5%
Energy	Energy consumption	GJ	14,589,740	14,930,570	15,048,358*	+1%
COD	Chemical oxygen demand in effluents following internal or external treatment	Tons	5,235	4,987	4,111*	–18%
Total suspended Solids	Discharge of residual TSS after internal or external water treatment	Tons	1,039	883	665*	–25%
Nitrogen	Nitrogen emissions following internal or external treatment	Tons	815	847	620*	–27%
VOC	Emissions of volatile organic compounds (estimates)	Tons	3,823	3,389	3,185*	–6%
CO_2	Carbon dioxide emissions	Tons of direct emissions	413,378	416,833	401,862*	–4%
		Tons of indirect emissions	493,603	567,783	575,373*	+1%
		Tons of emissions from fleet sales (estimated)	260,000	255,000	270,000	+6%
SO_X	Sulfur oxide emissions	Tons	127	127	60*	–52%
NO_X	Nitrogen oxide emissions	Tons	993	551	523*	–5%
ODS	Emissions of Ozone Depleting Substances	CFC-11 equivalent tons	2.7	11.7	2.3	–80%
Hazardous waste	Hazardous waste products as defined by locally applicable regulations	Tons	115,977	119,640	133,489*	+12%
Non-hazardous waste	Other solid waste (excluding emissions and effluents)	Tons	71,569	77,377	82,282*	+6%
ISO 14001 certified facilities		Number of certified sites	24	27	33*	+22%

DATA BY FUNCTION (RESEARCH AND PRODUCTION SITES)

	Chemical	Pharma-ceutical	R&D	Distri-bution	Vaccines	TOTAL	RATIO/SALES 2006	RATIO/SALES Variation 2005-2006	RATIO/SALES Unit
Water (millions of m^3)	52.9	4.2	2.8	0.1	2.1	62.2	2,191	–9%	l/k€
Energy (millions of GJ)	5.6	4.5	2.3	0.1	2.5	15	530	–3%	MJ/k€
Chemical oxygen demand (tons)	3,497	385	61	–	168	4,111	145	–21%	g/k€
Total suspended solids (tons)	588	40	13	–	23	665	23	–28%	g/k€
Nitrogen (tons)	587	10	4	–	18	620	22	–30%	g/k€
Volatile organic compounds (tons)	2,588	469	76	–	51	3,185	112	–10%	g/k€
Direct and indirect CO_2 (thousands of tons)	333	336	145	10	153	977	34	–5%	kg/k€
Sulfur oxides (tons)	0	18	4	0	37	60	2	–54%	g/k€
Nitrogen oxides (tons)	154	144	87	3	135	523	18	–9%	g/k€
ODS (CFC-11 equivalent tons)	0.3	0.6	0.2	0.0	1.2	2.3	82	–81%	mg/k€
Hazardous waste (thousands of tons)	122.4	5.7	3.3	0.3	1.8	133.5	4,705	+7%	g/k€
Non-hazardous waste (thousands of tons)	39.7	23.2	4.8	2.5	12.0	82.3	2,900	+2%	g/k€

* Indicators identified by an asterisk (*) were the focus of more in-depth analysis, enabling the Statutory Auditors to express an assurance specifically for these data. Their assurance statement, detailing the work they performed as well as their comments and conclusions, appears on page 79.

How **data** are **reported: methodological note**

SCOPE OF CONSOLIDATION

Social data are consolidated for all Group companies worldwide that are globally integrated into our financial consolidation, regardless of their activity (industrial or research sites, sales subsidiaries, administrative headquarters).

During 2006, health and safety data (workplace injuries) addressed the same scope. Environmental data (including spending and investments) are consolidated for all industrial and research sites. The environmental impact of sales subsidiaries, measured as CO_2 emissions from all company vehicles, includes all pharmaceutical operation subsidiaries. The environmental impact of administrative headquarters is not included within this scope.

Social, health, safety and environmental data are integrated into the scope of consolidation (global data integration).

CHANGES IN THE SCOPE

Within the Group boundaries, changes in scope between 2005 and 2006 concerned the development of a new vaccine production site in Shenzhen (China), as well as the divestitures of the following sites:
• Frankfurt Diabel (Germany);
• Bandung (Indonesia);
• Ansan (South Korea).
Generally speaking, changes in the scope of data consolidation resulted from acquisitions, construction, divestitures or closings, whether complete or partial, for sites or new companies. To assess Group performance from one period to the next, the following rules were developed for HSE data:
• acquisitions: entity data are included in the scope of consolidation beginning with the first full calendar year under Group control (year N). Where possible, and if data are available, the prior years N-1 and N-2 data are integrated in order to assess trends at constant scope;
• new sites: entity data are integrated into the scope of consolidation beginning from the first full calendar year of operations;
• divestitures/closings: entity data are eliminated from the scope of consolidation for the year of the divestiture or closing and for all prior years.

INDICATOR SELECTION

The social indicators shown:
• correspond to the Group's Human Resources (HR) policy on monitoring workforce and social performance in relation to individual management and human development;
• take distinctive cultural aspects and local specificities (differing national legislation, various legal requirements, etc.) into account.

The health, safety and environment indicators shown:
• correspond to the Health, Safety and Environment (HSE) policy and to site improvement measures; these indicators are relevant to Group operations;
• can be used to track the key areas of Group HSE performance.

REPORTING GUIDELINES

In order to ensure that all indicators are properly understood and standardized for all Group entities, a number of reporting guidelines were implemented in 2005 covering social, safety and environmental factors.
These documents specify the methodologies adopted for indicator reporting: definitions, methodological principles, calculation formulas and emission factors. Additional information was added in 2006, following 2005 data consolidation.

Standard data collection tools were also put into place during 2005 and improved in 2006:
• Social data: the "Data Collection Tool" (DCT) makes it possible to collect social data for all of the Group's entities.
• Safety data: the MSRS system makes it possible to collect safety data for the entire scope. A monthly consolidation statement is distributed to HSE managers and to site and subsidiary managers.
• Environmental data: the GREEN tool enabled the consolidation of all data contained in the report and ensured the recovery of historical information from previous systems.

ADDITIONAL INFORMATION AND METHODOLOGICAL LIMITS

The methodological principles for certain HSE and social indicators may have limits due to:
• the absence of definitions recognized on a national and/or international level;
• the necessary estimates and the representative nature of the measurements taken, or the limited availability of external data required for calculations;
• the practical methods used for data collection and entry.
As a result, we make every effort to list the definitions and methodology used for each indicator and, where appropriate, the confidence limits involved.

OCCUPATIONAL INJURY FREQUENCY RATE

The occupational injury frequency rate is defined as the number of accidents resulting in lost time of one day or more within a 12-month period, per million hours worked (Health, Safety and Environment data).
In the event of additional injuries not yet recorded at the closure of the financial year, or if changes in the qualification of injuries are observed after the financial year has ended, the frequency rate is corrected afterwards. For example, in 2006, five additional injuries that occurred in 2005 were identified and taken into account. The 2005 frequency rate was corrected.
Methodology harmonization for calculating the number of hours worked continued in 2006. Methodological disparities observed have no significant impact on the occupational injury frequency rate. For non-mobile personnel, accidents occurring during the home-workplace commute are not included in this indicator. However, they are included for medical sales representatives, in accordance with the reporting rules defined by the Group.

CO_2 EMISSIONS

Direct emissions are calculated on the basis of data from the Greenhouse Gas Protocol Initiative in relation to fuel emission factors. Indirect emissions resulting from other energy sources purchased off-premises are assessed on the basis of specific emission factors per site. Those resulting from drug product transport are not included in this total. Other greenhouse gas emissions are not significant compared to that of CO_2.
Emissions resulting from sales fleet vehicles used by medical representatives were estimated on the basis of fuel consumption.

PERCENTAGE OF RENEWABLE ELECTRICITY

The percentage of renewable electricity compared to total purchased is calculated on data based on the electrical source in each country where the Group operates.

VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS

VOCs are estimated either on the basis of the mass balance or by direct measurement; the uncertainty resulting from these estimates is of the order of 10%.
An effort will be made in 2007 to improve the reliability of this indicator by training those in charge of reporting and specific controls. It should be noted that the 2005 VOC emissions were revised downwards (approximately 6%) compared to previously published data as a result of a revaluation of 2005 emissions at the Vitry site. This occurred in response to the implementation of a more precise accounting method.

SULFUR OXIDES

Because SOx emissions associated with natural gas combustion were practically insignificant compared to those associated with fuel combustion, they were not included.

WASTEWATER DISCHARGE

Data correspond to waste after internal or external treatment. In the event of a lack of information about external treatment, a purification rate of 50% is assumed.

WASTE

The distinction between hazardous and non-hazardous waste corresponds to that used in European regulations for European Union member countries (Decision 2000/532/EC of 3 May 2000) and those used in local regulations for other countries.
It is noted that waste from remediation activities are not included in the published operational total.

CONTEXT INDICATORS

Some indicators concerning the risks associated with countries where the Group operates appear on pages 41, 43, 51, 52, 60, 68 and 71. The country classification is taken from third party published classifications or from revised country indicators also published by third parties. Modification and analysis were carried out by the French consulting firm Utopies. Classifications in no way reflect the Group's judgment of the countries under consideration. Sources are given below:
• Access to essential drugs (page 41): percentage of the population with access to the 20 major drugs, on a continuous basis and at affordable prices within a radius of less than one hour of transport. Data: UNDP (2003).
• Malaria (page 43): Maplecroft [1] composite index covering the prevalence, mortality and capacity of countries to contain the disease. Data: UN and WHO (2000).
• Tuberculosis (page 43): New cases of tuberculosis per 100,000 people. Risk: Low (<25), Moderate (25-49), Medium (50-99), High (100-299), Very high (>299). Data: WHO (2005).
• Sleeping sickness (page 43): Zones colonized by the tsetse fly according to the source: "Manuel de lutte contre la maladie du sommeil", Claude Laveissière and Laurent Penchenier.

(1) www.maplecroft.com

• Healthcare expenses (page 43): Private and public healthcare expenses in purchasing power parity per person. Data: UNDP (2006).
• HIV/AIDS risk (page 52): Maplecroft[1] composite index covering the prevalence, mortality and capacity of countries to contain the disease, and the impact on the economy. Categories: Very high (0-2.5); High (2.5-5.0); Medium (5.0-7.5); Low (7.5-10). Data: UNAIDS (2006).
• Level of instruction (page 54): Maplecroft[1] composite index: Measurement of educational attainment related to individual receptiveness to ongoing training and capacity building. Definition of zones: High level (7.5 – 10.0), Upper level (5.0 – 7.5), Medium level (2.5– 5.0), Low level (0.0 – 2.5). Sources: UNDP (2006), Unesco (2007).
• Biodiversity (page 60): zones with high aquatic biodiversity (zones do not cover national borders). Source: WRI (2000).
• HDI (pages 68 and 71): UNDP composite Human Development Index taking into account life expectancy, income and literacy rate. Source: UNDP (2005).

For environmental data, the ratio of each reported measurement to combined *pro forma* sales enables a comparison with other groups. However, it must be used with caution since it may include significant biases (currency effect, inflation, product mix).

CONSOLIDATION AND INTERNAL CONTROLS

The Corporate HR and HSE Departments are responsible for ensuring that all data are consolidated on the basis of information provided by the industrial and research sites and Group subsidiaries or administrative headquarters throughout the world. When sites include more than one function, the one with the greatest environmental impact is taken into account.
HSE coordinators for each activity perform an initial validation of safety and environmental data prior to their consolidation. Corporate HR and HSE also verify data consistency during consolidation.
These validations include data comparisons from previous years as well as careful analysis of any significant discrepancies.

Social data regarding the workforce are compared with consolidated data in the management control database.

With regard to HSE data, additional controls were implemented after reviewing previous years' data and have contributed to improving the reliability of published information. In an effort to ensure continuous improvement, these controls will be further strengthened in 2007.
To ensure that site representatives have properly understood the HSE indicators, and to ensure that the data reported correspond with those requested, an HSE data verification is carried out during in-house audits conducted at Group sites.

(1) www.maplecroft.com

EXTERNAL CONTROLS

In order to obtain an external review of our data's reliability and the thoroughness of our reporting procedures, we asked our Statutory Auditors to perform specific verification of certain social and HSE indicators appearing in tables on pages 74 and 75. Their assurance statement, describing the work they performed as well as their comments and conclusions, appears on page 79.
In addition, in accordance with the NRE Law, all HSE data and some social data published in tables on pages 74 and 75 have been reviewed by the Statutory Auditors in accordance with the relevant legislation and French professional standards to ensure that this information is consistent with the management report.

ADJUSTMENTS OF PREVIOUS DATA

Reporting modifications concerning previous years may be detected during the current year's reporting. A materiality threshold of 5% on the value of the Group indicator in question is automatically applied whenever an adjustment is made to data from previous years, based on review of the current year's data.
Some data from previous financial years were also adjusted in the event that errors detected had a significant impact on the interpretation of results.

Statutory Auditors' Review Report on Health, Safety and Environment (HSE) and Social Indicators

This is an English translation of the Statutory Auditors' report review issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.
At sanofi-aventis' request and in our role as Statutory Auditors of sanofi-aventis, we have performed a review designed to provide moderate assurance on the HSE and social data relating to fiscal year 2006 identified by the symbol (*) in the tables on pages 74 and 75 ("Data").
Sanofi-aventis' management was responsible for preparing the Data in accordance with the Group's reporting procedures applicable during 2006, which are available at the Group's headquarters and summarized on pages 76 to 78 under the title "How data are reported: methodological note." Our responsibility is to express a conclusion on the Data based on our review.

NATURE AND SCOPE OF OUR PROCEDURES

We planned and performed the procedures set out below to obtain moderate assurance as to whether the Data are free of material misstatements. A higher level of assurance would have required more extensive procedures.
• We assessed Group reporting procedures with regard to their consistency, relevance, reliability, neutrality and understandability.
• At the Group level, we conducted interviews with the individuals responsible for the preparation and application of the reporting procedures as well as for data consolidation (HSE and Human Resources Departments). At this level, we performed analytical procedures and verified, on a test basis, the calculations and data consolidation.
• We selected a sample of industrial and research sites (Vitry, Vertolaye, Sisteron, Compiègne, Garessio, Ujpest and Toronto) and pharmaceutical operations units operating in seven countries (France, United States, United Kingdom, Mexico, Japan, Spain and Hungary) based on their relative contribution to the consolidated data and the results of work conducted in prior years. At the level of the selected sites and units, we verified the understanding and application of procedures and carried out detailed tests to verify the calculations made and reconcile the data with the supporting documentation.

The contribution of these entities to the Group consolidated total is:
• regarding the environment, on average 55% of Volatile Organic Compound (VOC) emissions, 46% of water consumption, 27% of water discharges (Chemical Oxygen Demand indicator, Total Suspended Solids and nitrogen discharges), 44% of total waste (hazardous and non-hazardous) and 23% of energy consumption;
• regarding social and safety, 20% of worldwide employees and 25% of French employees.
In performing our review, we were assisted by our specialized sustainable development team.

INFORMATION ON REPORTING PROCEDURES

The Group presents detailed information on the methodologies used for Data reporting in the methodological note appearing on pages 76 to 78 and in the comments on the published Data. Any methodological limits that arose during the reporting process and other corresponding uncertainties have been disclosed, in particular concerning VOCs.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Data have not, in all material respects, been prepared in accordance with the Group's reporting procedures applicable during fiscal year 2006.

Neuilly-sur-Seine and Paris-La Défense (France), 8 March 2007

The Statutory Auditors

PricewaterhouseCoopers Audit		Ernst & Young Audit	
Catherine Pariset	Philippe Vogt	Gilles Puissochet	Valérie Quint

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page 23, page 31, page 34 (center and right), pages 38-39, page 48 (bottom), page 56
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